

## RESOLUTION

RESOLUTION OF THE SCHOOL BOARD OF SANTA ROSA COUNTY, FLORIDA, APPROVING THE LEASE OF CERTAIN LAND OWNED BY THE BOARD TO THE SANTA ROSA SCHOOL BOARD LEASING CORPORATION, IN CONNECTION WITH THE LEASE-PURCHASE FINANCING BY THE BOARD OF CERTAIN EDUCATIONAL FACILITIES; AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE SCHEDULE NO. 2019 RELATING TO THE LEASE-PURCHASE OF CERTAIN EDUCATIONAL FACILITIES; AUTHORIZING THE EXECUTION AND DELIVERY OF A SERIES 2019 SUPPLEMENTAL TRUST AGREEMENT WITH THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., AS TRUSTEE, PURSUANT TO WHICH THE TRUSTEE WILL DELIVER CERTIFICATES OF PARTICIPATION, IN ONE OR MORE SERIES, FOR THE LEASE-PURCHASE FINANCING; AUTHORIZING A NEGOTIATED SALE OF SUCH CERTIFICATES UPON MEETING CERTAIN CONDITIONS SPECIFIED HEREIN; AUTHORIZING THE EXECUTION AND DELIVERY OF A CERTIFICATE PURCHASE CONTRACT RELATING TO SUCH CERTIFICATES; APPROVING THE FORM OF A PRELIMINARY OFFERING STATEMENT AND AUTHORIZING THE SUPERINTENDENT OR ASSISTANT SUPERINTENDENT TO DEEM IT FINAL; AUTHORIZING THE EXECUTION AND DELIVERY OF AN OFFERING STATEMENT WITH RESPECT TO SUCH CERTIFICATES; DELEGATING TO THE CHAIRMAN OR VICE CHAIRMAN AND SUPERINTENDENT THE AUTHORITY TO APPROVE THE FINAL TERMS AND DETAILS OF THE CERTIFICATES ONLY UPON SATISFACTION OF THE CONDITIONS SET FORTH HEREIN; DELEGATING TO THE SUPERINTENDENT THE AUTHORITY TO DETERMINE WHETHER TO UTILIZE MUNICIPAL BOND INSURANCE FOR ALL OR A PORTION OF SUCH CERTIFICATES; AUTHORIZING THE EXECUTION AND DELIVERY OF A GROUND LEASE AGREEMENT RELATED TO THE LEASE OF CERTAIN REAL PROPERTY; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE SCHOOL BOARD OF SANTA ROSA COUNTY, FLORIDA, ACTING AS THE GOVERNING BODY OF THE SCHOOL DISTRICT OF SANTA ROSA COUNTY, FLORIDA:

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

"Act" means Chapters 1001 through 1013, Florida Statutes, and Chapter 617, Florida Statutes, each as amended, and other applicable provisions of law.

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

**"Association"** means the Florida School Boards Association, Inc., a Florida not-for-profit corporation organized and existing under the laws of the State, and any successor thereto.

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

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

**"Certificates"** means the certificates of participation prepared and delivered by the Trustee pursuant to the Trust Agreement.

**"Certificate Purchase Contract"** means the Certificate Purchase Contract, to be dated the date of the sale of the Series 2019 Certificates, among the Corporation, the Board, and the Underwriters, the substantial form of which is attached hereto as Exhibit D.

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

**"Corporation"** means the Santa Rosa School Board Leasing Corporation, a not-for-profit corporation duly organized and existing under the laws of the State of Florida, as successor in interest to the Association, and any successor thereto.

**"District"** means the School District of Santa Rosa County, Florida, a public body corporate and politic, and any successors thereto.

**"Financial Advisor"** means PFM Financial Advisors LLC, as financial advisor to the Board.

**"Lease Agreement"** means the Master Lease-Purchase Agreement, dated as of June 1, 1992, between the Corporation and the Board, as amended and supplemented.

**"Lease Schedule No. 2019"** means Lease Schedule No. 2019 to the Lease Agreement, relating to the Series 2019 Project and all or a portion of the Series 2019 Certificates, the form of which is attached hereto as Exhibit B.

**"Master Trust Agreement"** means the Trust Agreement, dated as of June 1, 1992, among the Corporation, the Board, and the Trustee, as amended and supplemented.

**"Municipal Bond Insurance Policy"** means the financial guaranty insurance policy or municipal bond insurance policy, if any, issued by the Series 2019 Insurer guaranteeing the scheduled payment, when due, of the principal and interest represented by all or a portion of the Series 2019 Certificates as provided therein.

**"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 Deputy Superintendent, or such other person as may be duly authorized to act on his or her behalf.

**"Series 2019 Certificates"** means the Certificates of Participation, Series 2019 Evidencing an Undivided Proportionate Interest of Owners thereof in Basic Rent Payments to be made by The School Board of Santa Rosa County, Florida, as Lessee, pursuant to a Master Lease-Purchase Agreement with the Santa Rosa School Board Leasing Corporation, as Lessor, authorized to be executed, authenticated, and delivered by the Trustee under the Trust Agreement and the Series 2019 Supplemental Trust Agreement.

**"Series 2019 Ground Lease Agreement"** means the Series 2019 Ground Lease Agreement, between the Board and the Corporation, as the same may be amended and supplemented from time to time, the substantial form of which is attached hereto as Exhibit A.

**"Series 2019 Insurer"** means the municipal bond insurance company issuing the Municipal Bond Insurance Policy, if any, approved by the Superintendent, the Assistant Superintendent, or their designees.

**"Series 2019 Lease Agreement"** means the Lease Agreement, as supplemented by the Lease Schedule No. 2019.

**"Series 2019 Project"** means the property and improvements described as the "Series 2019 Project" in Lease Schedule No. 2019, as the same may be amended or modified from time to time.

**"Series 2019 Supplemental Trust Agreement"** means the Series 2019 Supplemental Trust Agreement relating to the Series 2019 Certificates, among the Corporation, the Board and the Trustee, the substantial form of which is attached as Exhibit C hereto.

**"Special Counsel"** means Bryant Miller Olive P.A.

**"State"** means the State of Florida.

"**Trust Agreement**" means, collectively, the Master Trust Agreement and the Series 2019 Supplemental Trust Agreement.

"**Trustee**" means The Bank of New York Mellon Trust Company, N.A., as successor Trustee, and any successor thereto.

"**Underwriters**" means BofA Securities, Inc. and Raymond James & Associates, Inc.

**SECTION 2. FINDINGS.** It is hereby found and determined that:

(A) The Board has heretofore established a master lease-purchase program for the lease-purchase financing and refinancing of various projects in accordance with the terms of the Lease 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 Series 2019 Lease Agreement, the Trust Agreement, and the Series 2019 Ground Lease Agreement, and to fully perform its obligations thereunder in order to lease-purchase the Series 2019 Project.

(C) The Board agrees to enter into the Lease Schedule No. 2019 whereby the Board will lease the Series 2019 Project, and agrees to make Basic Rent Payments sufficient to pay the principal of and interest on the portion of the Series 2019 Certificates allocated to the Series 2019 Project.

(D) Due to the potential volatility of the market for tax-exempt obligations such as the Series 2019 Certificates and the complexity of the transactions relating to such Series 2019 Certificates, it is in the best interest of the Board that the Series 2019 Certificates be sold by a negotiated sale in accordance with the terms hereof, allowing market entry at the most advantageous time, rather than at a specified advertised date or a regularly scheduled School Board meeting date, thereby obtaining the best possible price and interest rate for the Series 2019 Certificates.

(E) The Board has been advised by its Financial Advisor as to the market appropriateness of preparing for the purchase proposal of the Underwriters, in light of current market levels and conditions, and as to acceptance of the Certificate Purchase Contract pursuant to a delegated, negotiated sale, subject to the conditions provided herein.

(F) The Series 2019 Certificates shall be secured solely as provided in the Trust Agreement, the Series 2019 Lease Agreement, and the Series 2019 Ground Lease Agreement, it being understood that neither the Series 2019 Certificates nor the interest represented thereby shall be or constitute a general obligation of the District, the Board, Santa Rosa County, Florida (the "County"), or the State, or any political subdivision or agency thereof, a pledge of the faith

and credit of the District, the Board, the County, the State, or any political subdivision thereof, or a lien upon any property of or located within the boundaries of the District.

**SECTION 3. AUTHORITY FOR THIS RESOLUTION.** This Resolution is enacted pursuant to the provisions of the Act and other applicable provisions of law.

**SECTION 4. LEASE OF PREMISES.** All or a portion of the land constituting the Premises to be identified in Exhibit A attached to the Series 2019 Ground Lease Agreement, 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 Series 2019 Ground Lease Agreement.

**SECTION 5. APPROVAL OF SERIES 2019 GROUND LEASE AGREEMENT.** Subject to satisfaction of all of the conditions set forth in Section 9(B) hereof, the Series 2019 Ground Lease Agreement, substantially in the form attached hereto as Exhibit A, is hereby approved in form by the Board with such changes, amendments, modifications, deletions, and additions as may be hereafter necessary in order to complete the documentation of the lease-purchase financing of the Series 2019 Project in accordance with the terms thereof, and the Board hereby authorizes and directs the Chairman to execute the Series 2019 Ground Lease Agreement, and the Secretary to attest the same under the seal of the Board, and to deliver the Series 2019 Ground Lease Agreement to the Corporation for its execution. Execution by the Chairman of the Series 2019 Ground Lease Agreement shall be deemed to be conclusive evidence of approval of such changes.

**SECTION 6. AUTHORIZATION OF LEASE-PURCHASE OF SERIES 2019 PROJECT.** The Board hereby authorizes the lease-purchase of the Series 2019 Project in accordance with the terms of the Series 2019 Lease Agreement.

**SECTION 7. APPROVAL OF SERIES 2019 LEASE AGREEMENT.** The Board hereby authorizes and directs the Chairman to execute the Lease Schedule No. 2019, and the Secretary to attest the same under the seal of the Board, and to deliver the Lease Schedule No. 2019 to the Corporation for its execution. The Lease Schedule No. 2019 shall be in substantially the form attached hereto as Exhibit B, with such changes, amendments, modifications, deletions, and additions as may be approved by the Chairman. Execution by the Chairman of the Lease Schedule No. 2019 shall be deemed to be conclusive evidence of approval of such changes. The authorization to execute and deliver the Lease Schedule No. 2019 is expressly conditioned upon compliance with the terms and conditions set forth in the Certificate Purchase Contract for execution, authentication, and delivery of the Series 2019 Certificates.

**SECTION 8. APPROVAL OF SERIES 2019 SUPPLEMENTAL TRUST AGREEMENT.** The Board hereby authorizes and directs the Chairman to execute the Series 2019 Supplemental Trust Agreement, and the Secretary to attest the same under the seal of the Board, and to deliver the Series 2019 Supplemental Trust Agreement to the Corporation and the

Trustee for their execution. The Series 2019 Supplemental Trust Agreement shall be in substantially the form attached hereto as Exhibit C, with such changes, amendments, modifications, deletions, and additions as may be approved by the Chairman. Execution by the Chairman of the Series 2019 Supplemental Trust Agreement shall be deemed to be conclusive evidence of approval of such changes. The authorization to execute and deliver the Series 2019 Supplemental Trust Agreement is expressly conditioned upon compliance with the terms and conditions set forth in the Certificate Purchase Contract for execution, authentication, and delivery of the Series 2019 Certificates.

**SECTION 9. APPROVAL OF DELEGATED NEGOTIATED SALE OF THE SERIES 2019 CERTIFICATES AND DESCRIPTION OF THE SERIES 2019 CERTIFICATES.**

(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 2019 Certificates, the Board hereby authorizes the issuance of one or more Series of Certificates, to be known as the "Certificates of Participation, Series 2019 Evidencing an Undivided Proportionate Interest of Owners thereof in Basic Rent Payments to be made by The School Board of Santa Rosa County, Florida, as Lessee, pursuant to a Master Lease-Purchase Agreement with the Santa Rosa School Board Leasing Corporation, as Lessor," for the principal purposes of financing the cost of lease-purchasing the Series 2019 Project. The Series 2019 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 negotiated sale of the Series 2019 Certificates to the Underwriters in accordance with the terms of the Certificate Purchase Contract, to be substantially in the form attached hereto as Exhibit D, with such changes, amendments, modifications, deletions, and additions thereto as shall be approved by the Chairman and the Superintendent in accordance with the provisions of this Section 9(B), the execution thereof being deemed conclusive evidence of the approval of such changes and the full and complete satisfaction of the conditions set forth in this Section 9. The Certificate Purchase Contract shall not be executed by the Chairman and the Superintendent until such time as all of the following conditions have been satisfied:

(1) Receipt by Chairman and the Superintendent of a written offer to purchase the Series 2019 Certificates by the Underwriters substantially in the form of the Certificate Purchase Contract, said offer to provide for, among other things, (i) the issuance of not exceeding \$38,000,000 initial aggregate principal amount of Series 2019 Certificates (without regard to original issue discount or premium) for the purpose of financing the Series 2019 Project; (ii) an underwriting discount (including management fee and all expenses) not in excess \$3.00 per \$1,000 of the initial par amount of the Series 2019 Certificates; (iii) a true interest cost of not more than 4.50%; and (iv) the maturities of the Series 2019 Certificates with the final maturity no later than February 1, 2044.

(2) With respect to any optional redemption terms of the Series 2019 Certificates, the first call date may be no later than February 1, 2030, and there shall be no call premium.

(3) Term Series 2019 Certificates may be established with such Amortization Installments as the Superintendent deems appropriate upon the advice of the Financial Advisor.

(4) Receipt by the Chairman and Superintendent from the Underwriters of a disclosure statement and truth-in-bonding information complying with Section 218.385, Florida Statutes.

(5) The issuance of the Series 2019 Certificates shall not exceed any debt limitation prescribed by law, and such Series 2019 Certificates, when issued, will be within the limits of all constitutional or statutory debt limitations.

**SECTION 10. APPROVAL OF PRELIMINARY OFFERING STATEMENT.** The Board hereby authorizes the use and distribution of the Preliminary Offering Statement in substantially the form attached hereto as Exhibit E in connection with the offering of the Series 2019 Certificates for sale. If between the date hereof and the mailing of the Preliminary Offering Statement, it is necessary to make changes, amendments, modifications, deletions, and additions in the Preliminary Offering Statement, the Chairman, the Superintendent, and the Assistant Superintendent are each hereby authorized to approve such changes, amendments, modifications, deletions, and additions. The Superintendent or Assistant Superintendent is hereby authorized to deem the Preliminary Offering Statement "final" within the meaning of Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule") in the form as mailed. Execution of a certificate by the Superintendent or Assistant Superintendent deeming the Preliminary Offering Statement "final" as described above shall be conclusive evidence of the approval of any changes, amendments, modifications, deletions, and additions.

**SECTION 11. OFFERING STATEMENT.** The form, terms, and provisions of the Offering Statement relating to the Series 2019 Certificates, shall be substantially as set forth in the Preliminary Offering Statement. The Chairman and the Secretary are each hereby authorized and directed to execute and deliver the Offering Statement in the name and on behalf of the Board, and thereupon to cause the Offering Statement to be delivered to the Underwriters within seven business days of the date of the Certificate Purchase Contract, with such changes, amendments, modifications, deletions, and additions as may be approved by the Chairman. The Offering Statement, including any such changes, amendments, modifications, deletions, and additions as approved by the Chairman, and the information contained therein are hereby authorized to be used in connection with the sale of the Series 2019 Certificates to the public. Execution by the Chairman of the Offering Statement shall be deemed to be conclusive evidence of approval of any changes, amendments, modifications, deletions, and additions.

**SECTION 12. AUTHORIZATION OF CERTIFICATE INSURANCE.** Upon the advice of the Financial Advisor, the Superintendent shall determine whether any of the Series 2019 Certificates shall be insured by the Municipal Bond Insurance Policy. If the Superintendent determines that any of the Series 2019 Certificates will be so insured, the Superintendent shall select, upon the advice of the Financial Advisor and Special Counsel, the Series 2019 Insurer. Upon such selection, if any, the Superintendent, the Chairman, and the Assistant Superintendent are each hereby authorized to take such actions (including, without limitation, approval of changes to the documents herein approved), and to execute such commitments, agreements, certificates, instruments, and opinions as shall be necessary or desirable to procure the issuance of the Municipal Bond Insurance Policy by the Series 2019 Insurer.

**SECTION 13. SECONDARY MARKET DISCLOSURE.** The Board hereby covenants and agrees that, in order to provide for compliance by the Board with the secondary market disclosure requirements of the Rule, it will comply with and carry out all of the provisions of the Disclosure Dissemination Agent Agreement, as it may be amended from time to time in accordance with the terms thereof. The Disclosure Dissemination Agent Agreement shall be substantially in the form attached hereto as Exhibit F with such changes, amendments, modifications, deletions, and additions as shall be approved by the Chairman who is hereby authorized to execute the Disclosure Dissemination Agent Agreement and deliver it to Digital Assurance Certification, L.L.C for its execution. Notwithstanding any other provision of this Resolution or the Trust Agreement, failure of the Board to comply with the Disclosure Dissemination Agent Agreement shall not be considered an event of default under the Trust Agreement; provided, however, to the extent provided by law, the sole and exclusive remedy of any Series 2019 Certificate Owner for the enforcement of the provisions of the Disclosure Dissemination Agent Agreement that relates to its Series 2019 Certificates shall be an action for mandamus or specific performance, as applicable, by court order, to cause the Board to comply with its obligations under this Section 13 and the Disclosure Dissemination Agent Agreement. For purposes of this Section 13, "Series 2019 Certificate Owner" shall mean any person who (i) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2019 Certificates (including persons holding Series 2019 Certificates through nominees, depositories, or other intermediaries), or (ii) is treated as the owner of any Series 2019 Certificate for federal income tax purposes.

**SECTION 14. ACKNOWLEDGMENT AND CONSENT AS TO SERIES 2019 SUPPLEMENTAL ASSIGNMENT AGREEMENT.** The Board hereby acknowledges and consents to the assignment by the Corporation to the Trustee of all of its rights, title, and interest in and to the Series 2019 Lease Agreement and the Series 2019 Ground Lease Agreement. The Board hereby authorizes and directs the Chairman to execute the Series 2019 Supplemental Assignment Agreement, and the Secretary to attest the same under the seal of the Board, and to deliver the Series 2019 Supplemental Assignment Agreement to the Corporation and the Trustee for their execution. The Series 2019 Supplemental Assignment Agreement shall be in substantially the form attached hereto as Exhibit G, with such changes, amendments,



modifications, deletions, and additions as may be approved by the Chairman. Execution by the Chairman of the Series 2019 Supplemental Assignment Agreement shall be deemed to be conclusive evidence of approval of such changes. The authorization to execute and deliver the Series 2019 Supplemental Assignment Agreement is expressly conditioned upon compliance with the terms and conditions set forth in the Certificate Purchase Contract for execution, authentication, and delivery of the Series 2019 Certificates.

**SECTION 15.     GENERAL AUTHORITY.** The members of the Board, the Secretary, 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 the various instruments and agreements referred to herein, or desirable or consistent with the requirements of this Resolution or the various instruments and agreements referred to herein 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 Board and/or the District is 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. To the extent that the Chairman is unavailable to take any action hereunder, the Vice-Chairman shall be authorized to act on his or her behalf. The foregoing officers are authorized to change the dated date of the documents authorized herein or to change the designation of the Series 2019 Certificates, if necessary or desirable, for accomplishing the acts herein authorized.

**SECTION 16.     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.

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**SECTION 17. EFFECTIVE DATE.** This Resolution shall become effective immediately upon its adoption.

**PASSED AND ADOPTED** by the School Board of Santa Rosa County, Florida, at a duly called meeting on the 16th day of May, 2019, at which meeting a quorum was present throughout.

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

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

ATTEST:

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

**EXHIBIT A**

**FORM OF SERIES 2019 GROUND LEASE AGREEMENT**

This document prepared by:

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**SERIES 2019 GROUND LEASE AGREEMENT**

**Dated as of June 1, 2019**

**by and between**

**THE SCHOOL BOARD OF SANTA ROSA COUNTY, FLORIDA**

**and**

**SANTA ROSA SCHOOL BOARD LEASING CORPORATION**

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## SERIES 2019 GROUND LEASE AGREEMENT

**THIS SERIES 2019 GROUND LEASE AGREEMENT** (hereinafter referred to as this "Ground Lease") is made and entered into as of June 1, 2019, by and between **THE SCHOOL BOARD OF SANTA ROSA 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 Santa Rosa County, Florida, and the **SANTA ROSA SCHOOL BOARD LEASING CORPORATION**, a not-for-profit corporation organized and existing under the laws of the State of Florida, having an office at Milton, Florida (the "Corporation"), as lessee.

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

**WHEREAS**, the Board and the Corporation, as successor in interest to the Florida School Boards Association, Inc. (the "Association"), have heretofore established a program for the lease-purchase financing of educational facilities for the Board pursuant to a Trust Agreement, dated as of June 1, 1992, as amended and supplemented (the "Master Trust Agreement"), particularly as supplemented by a Series 2019 Supplemental Trust Agreement, dated as of June 1, 2019 (the "Series 2019 Supplemental Trust Agreement" and, together with the Master Trust Agreement, the "Trust Agreement"), each with The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "Trustee"); and

**WHEREAS**, pursuant to a Master Lease-Purchase Agreement, dated as of June 1, 1992, between the Corporation, as assignee of the Association, as lessor, and the Board, as lessee, as amended and supplemented (the "Master Lease Agreement"), and as particularly supplemented by Lease Schedule No. 2019, dated as of June 1, 2019 (the "Lease Schedule No. 2019" and, together with the Master Lease Agreement, the "Series 2019 Lease Agreement"), the Board and the Corporation have agreed to the lease-purchase of certain educational facilities described in Lease Schedule No. 2019 (the "Series 2019 Project"); and

**WHEREAS**, pursuant to the Trust Agreement, the Board will cause to be issued Certificates of Participation, Series 2019 Evidencing an Undivided Proportionate Interest of Owners thereof in Basic Rent Payments to be made by The School Board of Santa Rosa County, Florida, as Lessee, pursuant to a Master Lease-Purchase Agreement with the Santa Rosa School Board Leasing Corporation, as Lessor (the "Series 2019 Certificates"), the proceeds of which will be used to (i) finance the cost of lease-purchase financing of the Series 2019 Project, and (ii) pay Costs of Issuance of the Series 2019 Certificates; and

**WHEREAS**, the Board is the owner of certain parcels of real property located in Santa Rosa 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 from the Board, pursuant to this Ground Lease, and the Board is willing to grant to the Corporation, a leasehold interest in the Premises for the purpose of financing the Series 2019 Project and leasing the same to the Board;

**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 to the Corporation. The Board hereby agrees to make all parcels of real property on which the Series 2019 Project is situated part of the Premises and subject to this Ground Lease. If it shall later appear that any parcels of property have been omitted from the description of the Premises, herein, the Board shall execute, deliver, and record one or more supplements to this Ground Lease as necessary to include the description of such parcels in the Premises.

(b) 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 (iv) this Ground Lease complies with all the requirements and restrictions of record applicable to the Premises. The Board represents and warrants that none of the Permitted Encumbrances has an adverse effect on the use of the Premises for their intended purpose or the enjoyment of the leasehold estate therein created under this Ground Lease.

(c) The Board shall promptly grant such easements on the site in such form and content as are determined by the Corporation to be reasonably necessary following the approval of the final plans (1) to acquire, construct, renovate, install, and maintain the construction of the Series 2019 Project; and (2) to exercise the Corporation's rights and obligations as lessor under the Series 2019 Lease Agreement and as lessee under this Ground Lease including, but not limited to, its rights to exercise its remedies under the Series 2019 Lease Agreement and its rights in the event of termination of the Series 2019 Lease Agreement.

## **SECTION 2. TERM.**

The term of this Ground Lease shall be for the period commencing on the Commencement Date, and ending on the earlier of (a) the date on which the Series 2019 Certificates and any Refunding Certificates refinancing the Premises have been paid in full or

provision for payment of the Series 2019 Certificates in full has been made pursuant to Section 12.01 of the Master Trust Agreement and any Supplemental Rent arising under the Series 2019 Lease Agreement shall have been paid or provided for; or (b) ten (10) years from the final maturity date of the Series 2019 Certificates and any Refunding Certificates refinancing the Premises (both dates inclusive).

### **SECTION 3. USES 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 Series 2019 Lease Agreement has occurred:

(i) the Premises shall be used by the Corporation as the site for acquisition, construction, and installation of the Buildings and the Equipment comprising the Series 2019 Project;

(ii) the Buildings and Equipment comprising the Series 2019 Project, shall be acquired, constructed, and installed by the Board as agent for the Corporation as provided in Section 3.08 of the Master Lease Agreement; and

(iii) fee simple title to the Premises shall be in the name of the Board upon commencement of the Ground Lease Term and severed title to all components of the Series 2019 Project, other than Designated Equipment, and the Premises shall be in the name of the Corporation pursuant to the Series 2019 Lease Agreement, and leasehold title to the Buildings comprising the Series 2019 Project constructed on the Premises shall remain in the Corporation until the earlier of (A) the date on which the Series 2019 Certificates shall no longer be Outstanding, and (B) the end of the Ground Lease Term.

(b) If the Series 2019 Lease Agreement has been terminated other than by reason of payment in full of all of the Outstanding Series 2019 Certificates pursuant to Section 12.01 of the Trust Agreement, 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 2019 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.



(e) The Board recognizes that the Corporation, as Lessor under the Series 2019 Lease Agreement, shall have the right to re-let the Series 2019 Project upon an Event of Default or Non-appropriation as provided in the Series 2019 Lease Agreement.

#### **SECTION 4. RENTAL.**

(a) So long as the Series 2019 Lease Agreement has not been terminated, the Corporation 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 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 Series 2019 Lease Agreement has been terminated prior to the Termination Date, the Corporation shall pay as and for rental for the Premises an amount determined by an M.A.I. appraisal to be fair market rental for the Premises (the "Appraisal"), which Appraisal shall be prepared by an appraiser selected by 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 Series 2019 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 June 30;

(ii) for each twelve (12)-month period beginning on July 1 next succeeding the date on which the Series 2019 Lease Agreement has been 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 Series 2019 Lease Agreement and the Trust Agreement during the preceding twelve months prior to such July 1 exceeded (A) the Principal and Interest Requirements for such preceding twelve months, and (B) any amounts constituting Supplemental Rent for the period prior to the termination of the Lease; 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 Series 2019 Lease Agreement exceed (A) the Principal and Interest Requirements, (B) any

amounts constituting Supplemental Rent for the period prior to the termination of the Lease, and (C) 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 Series 2019 Lease Agreement and the Trust 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.

(c) Under no circumstances shall the Corporation be required to make any payment of rent hereunder except as provided in Section 23 hereof.

#### **SECTION 5. OWNERSHIP OF IMPROVEMENTS AND SURRENDER OF PREMISES.**

(a) The Corporation 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 or its designee free and clear of liens and encumbrances created by, through, or under the Corporation 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 shall peaceably and quietly surrender to the Board or its designee 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 or its designee all books, record, construction plans, surveys, permits, and other documents relating to, and necessary or convenient for, the operation of the Premises 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 ninety (90) days after request by the Board for removal, shall, at the option of the Board, be deemed to have 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 Section 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, 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 within the Corporation's possession and control necessary for the Board to obtain and maintain in full force and effect insurance coverages desired by the Board or required by the Series 2019 Lease Agreement.

#### **SECTION 8. CONDITION OF PREMISE, UTILITIES, CONCEALED CONDITIONS.**

(a) 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 2019 Project, and hereby certifies same to the Corporation.

(c) To the extent not already completed, 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 2019 Project for the purposes intended or to permit such Series 2019 Project to comply with all requirements of law, the Board as agent of the Corporation agrees to provide and construct (but only to the extent proceeds of the Series 2019 Certificates are available therefor, although it may use funds available therefor from other sources in its sole discretion) 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 deed or other instruments required to effect such dedication.

#### **SECTION 9. LIMITATION ON LEASEHOLD MORTGAGES, ASSIGNMENT AND SUBLETTING.**

(a) If the Series 2019 Lease Agreement has been terminated and subject to the terms and conditions herein provided, the Corporation may assign or 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 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 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 Series 2019 Lease Agreement has not been terminated, (i) the Corporation shall assign this Ground Lease to the Trustee for the benefit of the Owners of the Series 2019 Certificates, and (ii) the Corporation shall sublet all of the Premises to the Board (the "Initial Sublessee") under the Series 2019 Lease Agreement. If the Series 2019 Lease Agreement shall have been terminated other than by payment in full of all of the Outstanding Series 2019 Certificates, pursuant to Section 12.01 of the Trust Agreement, or upon the occurrence of an Event of Non-Appropriation, the Corporation or its assignee may sublet the Premises, in whole or in part, or assign its interest in this Ground Lease, in whole or in part (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, further, 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 Series 2019 Lease Agreement shall have been terminated other than by payment in full of all of the Outstanding Series 2019 Certificates pursuant to Section 12.01 of the Trust Agreement, or upon the occurrence of an Event of Non-Appropriation, 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 Series 2019 Lease Agreement shall have been terminated other than by payment in full of all of the Outstanding Series 2019 Certificates pursuant to Section 12.01 of the Trust Agreement, upon the occurrence of an Event of Default or an Event of Non Appropriation under the Series 2019 Lease Agreement, 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 no Event of Default or Event of Non-Appropriation has occurred under the Series 2019 Lease Agreement and is continuing, 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 for their intended purpose or to any other uses permitted hereunder after the Ground Lease Term, will not impose any cost upon the Corporation, will not weaken, diminish or impair lateral or subjacent support to the improvements to the Premises, will not impair or diminish the security of the Certificate holders, any Leasehold Mortgagee or Permitted Transferee hereunder and subject to the limitations of Section 768.28, Florida Statutes, the Board agrees, to the extent, if any, permitted by law, to indemnify and save harmless, but only from Available Revenues, the Corporation and any Leasehold Mortgage 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 to be performed by the Initial Sublessee under the Series 2019 Lease Agreement shall be deemed, as between the Board and the Corporation hereunder, fully performed by the Corporation whether or not such Initial Sublessee actually performs same.

#### **SECTION 12. TAXES AND FEES.**

(a) The Board represents and warrants that, so long as the Board is in possession of the Premises pursuant to the Series 2019 Lease Agreement, this Ground Lease is and will be exempt from ad valorem and intangible taxation. However, for as long as the Series 2019 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 any interest in this Ground Lease, or any possessory right which the Corporation 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 if the interest of the Corporation and the Trustee therein shall not be in jeopardy, and if the Board shall set aside, or cause to be set aside, reserves deemed by it to be adequate with respect thereto; and, provided, further, that the Board, upon the commencement of any proceedings to foreclose the lien of any such tax, assessment, or charge, will forthwith pay, or cause to be paid, any such tax, assessment or charge, unless contested in good faith as aforesaid and execution upon the Series 2019 Project is stayed. The Board will not suffer the Series 2019 Project or any part thereof, to be sold for any Real Estate Taxes, taxes, assessments or other charges whatsoever, or to be forfeited therefor. The Board will also pay or cause to be paid all taxes, assessments and other governmental charges which may be imposed on the Corporation or its operations as a result of the transactions contemplated by this Ground Lease, and in connection with such contest, the Board may refrain from paying such tax 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 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 Series 2019 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 shall fail to pay, when due, any rent or portion thereof, or any other sum, if any, which the Corporation 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 one hundred eighty (180) days after receipt of written notice from the Board to the Corporation and the Trustee from the Board;

(ii) If the Corporation 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 in violation of Section 9(b) hereof; or

(iii) If the Corporation shall use the Premises for any purposes not permitted by this Ground Lease, and such use shall continue for a period of one hundred eighty (180) days after the Board shall have given written notice to the Corporation 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 the Corporation diligently commences the curing of such default within said time limits 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 THE 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, however, the Board shall not have the right to terminate this Ground Lease until such time as the Series 2019 Certificates have been paid in full and all other amounts due and owing under the Series 2019 Lease Agreement have been paid in full 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 in the Premises and severed title to the Buildings in the Series 2019 Project, and any proceeds thereof, for the payment of any liabilities of the Corporation 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 delay, failure, or omission by either party hereto to exercise 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 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 Series 2019 Lease Agreement has not been terminated, the net Proceeds resulting therefrom shall be applied pursuant to the Series 2019 Lease Agreement.

(b) If the Series 2019 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 earlier of the date on which the condemning party takes possession thereof or the date on which the Corporation or its assignee receives the net condemnation proceeds, and the Net Proceeds resulting therefrom shall be applied: first, to the payment of any portion of the Outstanding Series 2019 Certificates, second, to the payment of the amount secured by any Leasehold Mortgage then outstanding hereunder, and third, to the payment of 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 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 Series 2019 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 2019 Project created under the Series 2019 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 severed title in the Buildings comprising the Series 2019 Project as provided in the Series 2019 Lease Agreement.

#### **SECTION 20. MEMORANDUM OF LEASE.**

Unless mutually agreed to the contrary, simultaneously with the execution of this Ground Lease, the Board and the Corporation shall execute, acknowledge and deliver a Memorandum of Lease with respect to this Ground Lease. Said Memorandum of Lease shall not in any circumstances be deemed to change or otherwise effect any of the obligations or provisions of this Ground Lease.

#### **SECTION 21. 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 22. NON-RECOURSE 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 right hereunder to the Trustee pursuant to the Assignment 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 23. 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 Series 2019 Lease Agreement against any member, officer, employee, or agent of the parties hereto.

#### **SECTION 24. ENVIRONMENTAL COVENANTS, REPRESENTATIONS AND WARRANTIES.**

(a) To the best knowledge of the Board, after due inquiry, (i) no dangerous, toxic, or hazardous pollutants, contaminants, chemicals, waste, materials, or substances, as defined in or governed by the provisions of any federal, state, or local law, statute, code, ordinance, regulation, requirement, or rule relating thereto (collectively, "Environmental Regulations"), and also including urea-formaldehyde, polychlorinated biphenyls, asbestos, asbestos containing materials, nuclear fuel or waste, radioactive materials, explosives, carcinogens, and petroleum products, or any other waste, material, substance, pollutant, or contaminant which would subject the owner of the Premises to any damages, penalties, or liabilities under any applicable Environmental Regulation (collectively, "Hazardous Substances") are now or have been stored, located, generated, produced, processed, treated, transported, incorporated, discharged, emitted, released, deposited, or disposed of in, upon, under, over or from the Premises in violation of any Environmental Regulation; (ii) no threat exists of a discharge, release, or emission of a Hazardous Substance upon or from the Premises into the environment; (iii) the Premises has not been used as or for a mine, landfill, a dump, or other disposal facility, industrial, or manufacturing facility, or a gasoline service station; (iv) no underground storage tank is now located at the Premises or has previously been located therein but has been removed therefrom; (v) no violation of any Environmental Regulation now exists relating to the Premises, no notice of any such violation or any alleged violation thereof has been issued or given by any governmental entity or agency, and there is not now any investigation or report involving the Premises by any governmental entity or agency, which in any way relates to Hazardous Substances; (vi) no person, party, or private or governmental agency or entity has given any notice of or asserted any claim, cause of action, penalty, cost, or demand for payment or compensation, whether or not involving any injury or threatened injury to human health, the environment or natural resources, resulting or allegedly resulting from any activity or event described in (i) above; (vii) there are not now any actions,

suits, proceedings, or damage settlements relating in any way to Hazardous Substances, in, upon, under, over, or from the Premises; (viii) the Premises is not listed in the United States Environmental Protection Agency's National Priorities List of Hazardous Waste Sites or any other list of Hazardous Substances sites maintained by any federal, state or local government agency; and (ix) the Premises is not subject to any lien or claim for lien or threat of a lien in favor of any governmental entity or agency as a result of any release or threatened release of any Hazardous Substance.

The Board shall not store, locate, generate, produce, process, treat, transport, incorporate, discharge, emit, release, deposit, or dispose of any Hazardous Substance in, upon, under, over or from the Premises in violation of any Environmental Regulation, shall not permit any Hazardous Substance to be stored, located, generated, produced, processed, treated, transported, incorporated, discharged, emitted, released, deposited, disposed of, or to escape therein, thereupon, thereunder, thereover, or therefrom in violation of any Environmental Regulation, shall cause all Hazardous Substances to be properly removed therefrom and properly disposed of in accordance with all applicable Environmental Regulations, shall not install or permit to be installed any underground storage tank therein or thereunder in violation of any Environmental Regulation, and shall comply with all other Environmental Regulations which are applicable to the Premises.

In the event any Hazardous Substance is found upon, under, over or from the Premises in violation of any Environmental Regulation or if any lien or claim for lien in favor of any governmental entity or agency as a result of any release of any Hazardous Substance is threatened, the Board, at its sole cost and expense, shall, within ten (10) days of such finding, deliver written notice thereof to the Corporation and the Trustee and shall promptly remove such Hazardous Substance upon, under, over or from the Premises and prevent the imposition of any liens against the Premises for the cleanup of any Hazardous Substance. Such removal shall be conducted and completed in compliance with all applicable federal, state and local laws, regulations, rules, ordinances and policies, in accordance with the orders and directives of all federal, state, and local governmental authorities. In the event the Board has not removed such Hazardous Substances within a reasonable time period, the Board shall immediately commence such remedial action which is prescribed by applicable federal, state and local laws, regulations, rules, ordinances and policies, and in accordance with the orders and directives of any and all federal, state and local governmental authorities.

The Board further agrees to the extent, if any, permitted by law, and subject to the monetary limitations prescribed by Section 768.28, Florida Statutes, to reimburse the Corporation and the Trustee for, any and all claims, demands, judgments, penalties, liabilities, costs, damages, and expenses, including court costs and Attorneys' fees directly or indirectly incurred by the Corporation and the Trustee (prior to trial, at trial and on appeal) in any action against or involving the Corporation and the Trustee, resulting from any breach of the foregoing covenants, or from the discovery of any Hazardous Substance, in, upon, under, or over, or emanating from, the Premises, whether or not the Board is responsible therefor, it being the intent of the Board,

the Corporation and the Trustee that the Corporation and the Trustee shall have no liability or responsibility for damage or injury to human health, the environment or natural resources caused by, for abatement and/or clean-up of, or otherwise with respect to, Hazardous Substances by virtue of the interests of the Corporation and the Trustee in the Land or the Premises pursuant to the Series 2019 Lease Agreement or this Ground Lease, or as the result of the Corporation or the Trustee exercising any of its or their rights or remedies with respect thereto hereunder or under any other instrument. The foregoing representations, warranties, and covenants of this Section 24 shall be deemed continuing covenants, representations, and warranties for the benefit of the Corporation and the Trustee and any successors and assigns of the Corporation and the Trustee, and shall survive the satisfaction or release of this Ground Lease, the Series 2019 Lease Agreement, or any other instrument. The foregoing representations, warranties, and covenants of this Section 24 shall be extinguished at the later of (i) the termination date of this Ground Lease; or (ii) that point in time in which the Corporation and the Trustee and any successors and assigns of the Corporation and the Trustee are no longer liable or potentially liable for their own or the Board's compliance with Environmental Regulations as they may apply to the Premises or the Land. Any amounts covered by the foregoing shall bear interest from the date incurred at the maximum rate permitted by law and shall be payable on demand. This covenant shall not be deemed to create any liability on the part of the Board to any Person other than the Corporation, its successors and assigns, or the Trustee.

For purposes of this Section 24, "Premises" includes any portion of the Series 2019 Project situate thereon.

(b) To the extent not otherwise required by this Ground Lease and notwithstanding anything herein to the contrary, the Board further agrees that it shall not cause or permit the Premises or any part thereof to be used to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce, or process Hazardous Materials, except in compliance with all applicable Federal, state, and local laws or regulations, nor shall the Board cause or permit, as a result of any intentional or unintentional act or omission on the part of the Board or any tenant or subtenant, a release of Hazardous Materials onto the Premises. The Board shall comply with and ensure compliance by all tenants and subtenants with all applicable Federal, state, and local laws, ordinances, rules, and regulations, whenever and by whomever triggered, and shall obtain and comply with, and ensure that all tenants and subtenants obtain and comply with, any and all approvals, registrations or permits required thereunder. The Board shall (i) conduct and complete all investigations, studies, sampling, and testing, and all remedial, removal, and other actions necessary to clean up and remove all Hazardous Materials, on, from, or affecting the Premises (A) in accordance with all applicable Federal, state, and local laws, ordinances, rules, regulations, and policies, (B) to the satisfaction of the Trustee for the Certificates or mortgagee, if applicable, and (C) in accordance with the orders and directives of all Federal, state, and local governmental authorities, and (ii) to the extent allowed by law, defend, indemnify, and hold harmless the Trustee from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs, or expenses of whatever kind or nature, known or unknown, contingent or otherwise, arising out of, or in any way related to, (A) the

presence, disposal, release, or threatened release of any Hazardous Materials which are on, from, or affecting the soil, water, vegetation, buildings, personal property, persons, animals, or otherwise; (B) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials, and/or (C) any violation of laws, orders, regulations, requirements, or demands of government authorities, or any policies or requirements of the mortgage trustee, which are based upon or in any way related to such Hazardous Materials including, without limitation, attorney and consultant fees, investigation, and laboratory fees, court costs, and litigation expenses. In the event that the Trustee elects to control, operate, sell, or otherwise claim property rights in the Premises, the Board shall deliver the Premises free of any and all Hazardous Materials so that the conditions of the Premises shall conform with all applicable Federal, state, and local laws, ordinances, rules, or regulations affecting the Premises. Prior to any such delivery of the Premises, the Board shall pay the Trustee, from its own funds, any amounts then required to be paid under subsection (ii) above. For purposes of this paragraph, "Hazardous Materials" includes, without limit, any flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. §§ 9601 *et seq.*), the Hazardous Materials Transportation Act, as amended (49 U.S.C. §§ 1801 *et seq.*), the Resource Conservation and Recovery Act, as amended (42 U.S.C. §§ 9601 *et seq.*), and in the regulations adopted and publications promulgated pursuant thereto, or any other Federal, state or local environmental law, ordinance, rule, or regulation.

## **SECTION 25. 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:	The School Board of Santa Rosa County, Florida 6032 U.S. Highway 90 Milton, Florida 32570 Attention: Superintendent
If to the Corporation:	Santa Rosa School Board Leasing Corporation 6032 U.S. Highway 90 Milton, Florida 32570 Attention: President
If to the Trustee:	The Bank of New York Mellon Trust Company, N.A. Corporate Trust Division

Towermarc Plaza  
10161 Centurion Parkway  
Jacksonville, Florida 32256

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) The Corporation and Board acknowledge assignment of this Ground Lease to the Trustee.

(i) The Corporation and Board shall not encumber, dispose of, or release any portion of the Series 2019 Project; provided that so long as there has been no Event of Default or Event of Non-Appropriation under the Lease, the Corporation may release any portion of the Premises provided that in respect of such portion to be released, (i) no portion of the Series 2019 Project has been constructed or installed thereon; and (ii) no proceeds of the portion of the Initial Lease Payment under the Lease Schedule No. 2019 and no proceeds of the Series 2019 Certificates have been expended thereon; and (iii) the Corporation shall retain, and the Board shall grant to the Corporation, such easements, rights of way, agreements of lateral support and other property

interests as the Trustee shall require for pedestrian and vehicular ingress, egress and access to and from and between the Premises and the public roads adjoining the Servient Property and as may be necessary 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.

**SECTION 26. REPRESENTATIONS AND WARRANTIES.**

The Board hereby represents and warrants as provided in Exhibit "B" attached hereto.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Board has caused this instrument to be executed by the undersigned officers and its official seal to be impressed hereon, the day and year first written above.

**THE SCHOOL BOARD OF SANTA ROSA  
COUNTY, FLORIDA**, as Lessor

(SEAL)

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

Attest:

By: \_\_\_\_\_  
Superintendent, ex-officio Secretary

**STATE OF FLORIDA  
COUNTY OF SANTA ROSA**

I, \_\_\_\_\_, a Notary Public in and for the said County in the State aforesaid, do hereby certify that the Chairman and Superintendent, ex-officio Secretary, the same persons whose names are Carol Boston and Tim Wyrosdick, respectively, of **THE SCHOOL BOARD OF SANTA ROSA COUNTY, FLORIDA**, which is the governing body of the School District of Santa Rosa County, Florida, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said School Board, and delivered the said instrument as the free and voluntary act of said School Board and as their own free and voluntary act, for the uses and purposes therein set forth.

**GIVEN** under my hand and notarial seal this \_\_\_\_\_ day of June, 2019.

\_\_\_\_\_  
Notary Public

(SEAL)

My Commission Ends:  
Name:

Personally Known \_\_\_\_ or  
Produced Identification  X   
Type of Identification  
Produced: Florida Drivers License



IN WITNESS WHEREOF, the Corporation has caused this instrument to be executed by the undersigned officers and its official seal to be impressed hereon, the day and year first written above.

**SANTA ROSA SCHOOL BOARD  
LEASING CORPORATION**, as Lessee

(SEAL)

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

Attest:

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

**STATE OF FLORIDA  
COUNTY OF SANTA ROSA**

I, \_\_\_\_\_, a Notary Public in and for the said County in the State aforesaid, do hereby certify that the President and Secretary, the same persons whose names are Carol Boston and Tim Wyrosdick, respectively, of the **SANTA ROSA SCHOOL BOARD LEASING CORPORATION**, a Florida not-for-profit corporation, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said corporation, and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary act, for the uses and purposes therein set forth.

**GIVEN** under my hand and notarial seal this \_\_\_\_\_ day of June, 2019.

\_\_\_\_\_  
Notary Public

(SEAL)

My Commission Ends:  
Name:

Personally Known \_\_\_\_ or  
Produced Identification   X    
Type of Identification  
Produced: Florida Drivers License

**EXHIBIT "A"**

**PROPERTY DESCRIPTION**

**EXHIBIT "B"**

**REPRESENTATIONS AND WARRANTIES**

**LESSEE'S CERTIFICATE**

[See Closing Transcript Item No. [\_\_]]

**EXHIBIT B**

**FORM OF SERIES 2019 LEASE AGREEMENT**

## LEASE SCHEDULE

**Schedule No. 2019 to the  
MASTER LEASE-PURCHASE AGREEMENT,  
dated as of June 1, 1992, between  
Santa Rosa School Board Leasing Corporation  
and  
The School Board of Santa Rosa County, Florida**

**THIS LEASE SCHEDULE NO. 2019** (this "Lease Schedule") is hereby entered into under and pursuant to that certain Master Lease-Purchase Agreement, dated as of June 1, 1992, as amended and supplemented, and as particularly supplemented by this Lease Schedule (the "Master Lease Agreement" and, together with this Lease Schedule, the "Series 2019 Lease Agreement"), pursuant to which the Santa Rosa School Board Leasing Corporation (the "Corporation") has agreed to lease-purchase to The School Board of Santa Rosa County, Florida (the "Board"), and the Board has agreed to lease-purchase from the Corporation, subject to the terms and conditions of the Series 2019 Lease Agreement, the Series 2019 Project as herein described.

All capitalized terms not otherwise defined herein shall have the respective meanings therefor as set forth in (i) the Series 2019 Lease Agreement, or (ii) the Trust Agreement, dated as of June 1, 1992, as amended and supplemented (the "Master Trust Agreement"), including as particularly amended and supplemented by the Series 2019 Supplemental Trust Agreement, dated as of June 1, 2019 (the "Series 2019 Supplemental Trust Agreement" and, together with the Master Trust Agreement, the "Trust Agreement"), each between the Corporation and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "Trustee"). Reference to "Lease Agreement" herein shall include the terms of this Lease Schedule.

1. Series 2019 Project; Lease-Purchase. The lease property, which is described in Section 6 of this Lease Schedule (the "Series 2019 Project"), and has a Maximum Cost of \$\_\_\_\_\_, shall be acquired, constructed and installed, and lease-purchased, by the Board from the Corporation pursuant to the terms of the Series 2019 Lease Agreement.

2. Commencement Date; Lease Term; Other Definitions. For purposes of this Lease Schedule and the Series 2019 Lease Agreement:

(a) The Commencement Date for the Series 2019 Project is June \_\_, 2019.

(b) The Initial Lease Termination Date of the lease of the Series 2019 Project shall be June 30, 2020. The Maximum Lease Term with respect to this Lease Schedule shall commence on the Commencement Date and terminate on June 30, 20[44]. The Board presently intends to continue the Series 2019 Lease Agreement with respect to the Series 2019 Project for the Maximum Lease Term.

(c) The Estimated Completion Date for the Series 2019 Project is [\_\_\_\_\_].

(d) The Replacement Amount is \$[\_\_\_\_\_].

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, Series 2019 Evidencing an Undivided Proportionate Interest of Owners thereof in Basic Rent Payments to be made by The School Board of Santa Rosa County, Florida, as Lessee, pursuant to a Master Lease-Purchase Agreement with the Santa Rosa School Board Leasing Corporation, as Lessor" (the "Series 2019 Certificates").

(b) [There will be no Credit Enhancer for the Series 2019 Certificates.][The Credit Enhancer for the Series 2019 Certificates maturing on February 1 in the years \_\_\_\_/ \_\_\_\_/ \_\_\_\_, and \_\_\_\_ through \_\_\_\_, inclusive (the "Insured Series 2019 Certificates") shall be \_\_\_\_\_, or any successor thereto or assignee thereof (the "Insurer"). The Series 2019 Certificates not constituting the Insured Series 2019 Certificates shall not be subject to credit enhancement.]

(c) [The Series 2019 Certificates are subject to optional prepayment prior to maturity as described in the Series 2019 Supplemental Trust Agreement.]

(d) The Reserve Requirement for the Series 2019 Certificates is \$0.00 under the Trust Agreement, and no Subaccount has been created within the Reserve Account for the benefit of the Series 2019 Certificates.

(e) The Closure Date of the Series 2019 Subaccount of the Project Account established for the Series 2019 Project, for purposes of Section 6.03(g) of the Trust Agreement, shall be June \_\_, 2022, unless otherwise extended by the parties upon receipt of an opinion of counsel to the effect that such extension will not adversely affect the tax status of interest on the Series 2019 Certificates for federal income tax purposes.

(f) There shall be no Prepayment Amount relating to the Series 2019 Subaccount of the Project Account established for the Series 2019 Project for purposes of Section 6.03(g) of the Trust Agreement.

4. Basic Rent. The Basic Rent, and the Principal Component and Interest Components thereof, payable by the Board to the Corporation with respect to the Series 2019 Project under the Series 2019 Lease Agreement is described on Schedule A attached hereto. The

Basic Rent is due and payable from the Board no later than June 30 and December 31 of each year, commencing [December 31, 2019].

5. Use of Certificate Proceeds. The proceeds of the Series 2019 Certificates shall be disbursed as follows:

	Series 2019 Certificate Proceeds
Deposit to Series 2019 Subaccount of Costs of Issuance Account <sup>(1)</sup>	\$ _____
Deposit to Series 2019 Subaccount of Project Account	_____
TOTAL PROCEEDS	\$ _____

<sup>(1)</sup> The Underwriters' discount of \$[\_\_\_\_\_] was retained by the Underwriters.

6. The Series 2019 Project. The Project Description, Project Budget, and Project Schedule for the Series 2019 Project are attached hereto as Schedule B.

7. Designated Equipment. A description of any Designated Equipment for the Series 2019 Project is set forth as part of Schedule B.

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

9. Title Insurance. For purposes of Section 6.03(c) of the Master Trust Agreement, the amount of title insurance related to the Series 2019 Project shall be \$2,000,000.

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

11. Assignment Agreement.

(a) The Corporation hereby acknowledges that all Lease Payments and its rights, title, and interest in this Lease Schedule, and with certain exceptions, the Master Lease Agreement, have been assigned to the Trustee pursuant to the Assignment Agreement, dated as of June 1, 1992, as amended and supplemented, and as particularly supplemented by the Series 2019 Supplemental Assignment Agreement, dated as of June 1, 2019, each between the Corporation and the Trustee (collectively, the "Assignment Agreement").

(b) The Corporation and Board acknowledge that all of its right, title, and interest in the Series 2019 Ground Lease Agreement has been assigned to the Trustee pursuant to Assignment Agreement.

12. Other Permitted Encumbrances. Those encumbrances set forth in the title policies delivered in connection with any Series 2019 Project component site.

13. Special Terms and Conditions for this Lease Schedule. *The following shall become effective upon execution by the Board, the Corporation, and the Trustee of this Lease Schedule No. 2019. Purchase of the Series 2019 Certificates shall constitute consent by each holder of the Series 2019 Certificates.*

(a) *Property Insurance.* [With respect to the Series 2019 Certificates, notwithstanding the provisions set forth in Sections 5.05 and 5.06 of the Master Lease Agreement related to property insurance coverage, the following provisions shall apply:

(i) The Board shall procure and maintain, or cause to be procured and maintained, throughout the Lease Term, subject to the requirements of State law, insurance against loss or damage to any part of the Series 2019 Project by fire or lightning at such coverage levels as are available at commercially reasonable costs to the Board, with extended coverage and vandalism and malicious mischief insurance. Said extended coverage insurance shall, as nearly as practicable, also cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke, and such other hazards as are normally covered by such insurance. Such insurance may be maintained as part of or in conjunction with any other fire and extended coverage insurance carried or required to be carried by the Board, and may be maintained in whole or in part in the form of self-insurance by the Board, provided such self-insurance complies with the provisions of Section 5.07 of the Master Lease Agreement. The Net Proceeds of such insurance shall be applied as provided in Section 5.06 of the Master Lease Agreement.

(ii) Flood insurance shall be separately maintained by the Board for any property included in the Series 2019 Project which is located in a federally designated flood plain, in such amounts per occurrence as are available at commercially reasonable costs and in minimum amounts necessary to qualify for federal disaster relief programs. In the event the Board considers flood insurance to be unavailable at commercially reasonable rates, it shall so notify the Trustee. If the Trustee identifies insurance for such coverage at commercially reasonable rates, the Board shall be obligated to obtain such insurance. In the event that the Trustee and the Board determine that flood insurance is unavailable at commercially reasonable rates, such flood insurance shall be maintained in whole in the form of self-insurance by the Board in compliance with the provisions of Section 5.07 of the Master Lease Agreement.



(iii) It is agreed that copies of all policies of insurance required by the Master Lease Agreement shall not be delivered to the Trustee and evidence of payment of the premium for such policies shall not be furnished to the Trustee. The Board shall provide the Trustee annually each June 1 commencing June 1, 2020, with a certificate stating that it has complied with the provisions of Section 5.04, 5.05 (as modified hereby), and 5.07 of the Master Lease Agreement (including payment of the premiums on all insurance policies required thereby). The Trustee shall be entitled to rely upon said certificate of the Board as to the Board's compliance with the provisions of such sections of the Series 2019 Lease Agreement. The Trustee makes no representation as to and shall have no responsibility for the sufficiency or adequacy of the insurance.]

(b) *Section 5.08(c) and (d) of the Master Lease Agreement Not Applicable.* Notwithstanding the provisions set forth in Sections 5.08(c) and (d) of the Master Lease Agreement, if the portion of the Net Proceeds related to the Series 2019 Project are not greater than the amount of the Lease Payments represented by the Series 2019 Certificates coming due in the immediately following fiscal year under this Lease Schedule No. 2019, then such amounts shall be used first, to pay the Interest Component of the Series 2019 Certificates for the next two interest Payment Dates and then to pay the Principal Component next coming due. In the event such portion of the Net Proceeds is greater than the amount of the Lease Payments represented by the Series 2019 Certificates coming due hereunder in the immediately following fiscal year, at the option of the Board, the Board shall apply the portion of the Net Proceeds of such insurance or condemnation award to (i) the acquisition, construction, and installation of other Land and/or Buildings to be used for educational purposes that will be subject to this Lease Schedule No. 2019, or (ii) upon receipt of an approving opinion of Special Counsel, to the Series 2019 Subaccount of the Interest Account, or Series 2019 Subaccount of the Principal Account, as applicable, to be credited against the payments next due to such accounts or subaccounts.

(c) *Release of Series 2019 Project Components and Series 2019 Project Component Sites.* Notwithstanding anything to the contrary in the Master Lease Agreement, one or more of the facilities comprising a portion of the Series 2019 Project components as identified in Schedule B hereto, or a portion thereof, may be released from the lien of the Series 2019 Lease Agreement if after the release of such facility or facilities the total construction cost of remaining facilities components comprising the Series 2019 Project components subject to the lien of the Series 2019 Lease Agreement exceeds the remaining Principal Component of the Basic Rent Payments payable with respect to the Series 2019 Project. The Series 2019 Project components and/or the Premises and any Servient Property (or portions thereof) released under this Section 13(c) shall be deemed to be paid and fee simple title to such facilities and/or facility sites (or portions thereof) shall vest in the Board.

The Corporation hereby appoints the Board as its agent to prepare and file or record in appropriate offices such documents as may be necessary to cause record title to such Premises and any Servient Property (or portions thereof) to vest in the Board, free and clear of all encumbrances except Other Permitted Encumbrances. The Corporation agrees to immediately execute all instruments necessary to vest good and marketable fee simple title to the released Premises and any Servient Property (or portions thereof) in the Board subject only to Other Permitted Encumbrances. The Series 2019 Ground Lease Agreement shall then be modified to remove the subject Premises and any Servient Property (or portions thereof), as provided therein. The Corporation shall request the execution of such instruments by the Trustee as may be necessary to effect the conveyance described herein.

14. [Notices to Credit Enhancer. Copies of all notices required to be given to a Credit Enhancer pursuant to the Master Lease Agreement shall be given to the Insurer at the following address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_]

15. [Special Terms and Conditions Required by Insurer. For purposes of this Lease Schedule, the following provisions shall apply with respect to the Insured Series 2019 Certificates.]

16. Representations and Warranties. The Board's representations, covenants, and warranties set forth in the Master Lease Purchase Agreement are true and correct as of the date hereof as if set forth in full herein.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

**IN WITNESS WHEREOF**, the Corporation has caused this Lease Schedule No. 2019 to be executed by its proper corporate officers, all as of the 1st day of June, 2019

**SANTA ROSA SCHOOL BOARD  
LEASING CORPORATION**

(SEAL)

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

ATTEST:

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

**IN WITNESS WHEREOF**, the Board has caused this Lease Schedule No. 2019 to be executed by their proper corporate officers, all as of the 1st day of June, 2019.

**THE SCHOOL BOARD OF SANTA ROSA  
COUNTY, FLORIDA**

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

(SEAL)

ATTEST:

By: \_\_\_\_\_  
Superintendent, ex-officio Secretary

## SCHEDULE A

### BASIC RENT PAYMENTS

BASIC RENT PAYMENT DATE	CERTIFICATE PAYMENT DATE	SERIES 2019 CERTIFICATES PRINCIPAL COMPONENT	SERIES 2019 CERTIFICATES INTEREST COMPONENT	TOTAL PRINCIPAL AND INTEREST COMPONENTS
12/31/2019	02/01/2020			
06/30/2020	08/01/2020			
12/31/2020	02/01/2021			
06/30/2021	08/01/2021			
12/31/2021	02/01/2022			
06/30/2022	08/01/2022			
12/31/2022	02/01/2023			
06/30/2023	08/01/2023			
12/31/2023	02/01/2024			
06/30/2024	08/01/2024			
12/31/2024	02/01/2025			
06/30/2025	08/01/2025			
12/31/2025	02/01/2026			
06/30/2026	08/01/2026			
12/31/2026	02/01/2027			
06/30/2027	08/01/2027			
12/31/2027	02/01/2028			
06/30/2028	08/01/2028			
12/31/2028	02/01/2029			
06/30/2029	08/01/2029			
12/31/2029	02/01/2030			
06/30/2030	08/01/2030			
12/31/2030	02/01/2031			
06/30/2031	08/01/2031			
12/31/2031	02/01/2032			
06/30/2032	08/01/2032			
12/31/2032	02/01/2033			
06/30/2033	08/01/2033			
12/31/2033	02/01/2034			
06/30/2034	08/01/2034			
12/31/2034	02/01/2035			
06/30/2035	08/01/2035			
12/31/2035	02/01/2036			
06/30/2036	08/01/2036			
12/31/2036	02/01/2037			
06/30/2037	08/01/2037			

12/31/2037	02/01/2038	
06/30/2038	08/01/2038	
12/31/2038	02/01/2039	
06/30/2039	08/01/2039	
12/31/2039	02/01/2040	
06/30/2040	08/01/2040	
12/31/2040	02/01/2041	
06/30/2041	08/01/2041	
12/31/2041	02/01/2042	
06/30/2042	08/01/2042	
12/31/2042	02/01/2043	
06/30/2043	08/01/2043	
12/31/2043	02/01/2044	
	TOTAL	

## **SCHEDULE B**

### **PROJECT DESCRIPTION, PROJECT BUDGET, AND PROJECT SCHEDULE**

**SCHEDULE C**

**DESCRIPTION OF THE LAND**



## **SCHEDULE D**

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

(i) A certified copy of a resolution duly adopted by the Board authorizing the lease-purchase of the Project described in this Lease Schedule and the execution and delivery of this Lease Schedule and the Series 2019 Supplemental Trust Agreement related thereto. See Closing Transcript Item No. [\_\_].

(ii) A certificate of the Chairman of the Board reaffirming the Board's covenants, representations, and warranties made under the Master Lease Agreement, except as modified by this Lease Schedule, and stating no default or Event of Non-Appropriation has occurred and is continuing under the Series 2019 Lease Agreement. See Closing Transcript Item No. [\_\_].

(iii) An executed copy of any Ground Lease and the related assignment of the Ground Lease relating to the Series 2019 Project described in this Lease Schedule. See Closing Transcript Item No. [\_\_].

(iv) An executed copy of the Series 2019 Supplemental Trust Agreement relating to the issuance of the Series 2019 Certificates which shall fund the Series 2019 Project described in this Lease Schedule. See Closing Transcript Item No. [\_\_].

(v) An executed Certificate of Lessee. See Closing Transcript Item No. [\_\_].

(vi) An executed Certificate of Lessor. See Closing Transcript Item No. [\_\_].

**EXHIBIT C**

**FORM OF SERIES 2019 SUPPLEMENTAL TRUST AGREEMENT**

**SERIES 2019 SUPPLEMENTAL TRUST AGREEMENT**

By and Among

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**

**SANTA ROSA SCHOOL BOARD LEASING CORPORATION**

and the

**THE SCHOOL BOARD OF SANTA ROSA COUNTY, FLORIDA,**

**DATED AS OF JUNE 1, 2019**

**Relating to:**

\$\_\_\_\_\_ principal amount of Certificates of Participation, Series 2019 Evidencing an Undivided Proportionate Interest of Owners thereof in Basic Rent Payments to be made by The School Board of Santa Rosa County, Florida, as Lessee, pursuant to a Master Lease-Purchase Agreement with the Santa Rosa School Board Leasing Corporation, as Lessor

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## **SERIES 2019 SUPPLEMENTAL TRUST AGREEMENT**

**THIS SERIES 2019 SUPPLEMENTAL TRUST AGREEMENT**, dated as of June 1, 2019 (the "Series 2019 Supplemental Trust Agreement"), supplementing the Trust Agreement, dated as of June 1, 1992, as amended and supplemented (the "Master Trust Agreement" and together with the Series 2019 Supplemental Trust Agreement, the "Trust Agreement"), by and among **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, a national banking association with corporate trust powers qualified to accept trusts of the type set forth in the Trust Agreement, as successor trustee (the "Trustee"), the **SANTA ROSA SCHOOL BOARD LEASING CORPORATION**, a not-for-profit corporation duly organized and existing under the laws of the State of Florida (the "Corporation"), as successor to the Florida School Boards Association, Inc. (the "Association"), and **THE SCHOOL BOARD OF SANTA ROSA COUNTY, FLORIDA** (the "Board"), acting as the governing body of the School District of Santa Rosa County, Florida (the "District").

### **WITNESSETH:**

**WHEREAS**, pursuant to the Master Trust Agreement, the Board, the Trustee, and the Corporation have provided for the issuance of certain Certificates of Participation on behalf of the Board for the financing or refinancing of capital projects of the Board; and

**WHEREAS**, the Board has heretofore deemed it in its best interest 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, 1992, as amended and supplemented (the "Lease Agreement"), between the Corporation, as assignee of the Association, 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, install, 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 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 to be made by the Board pursuant to the Lease Agreement and related Lease Schedule; and

**WHEREAS**, pursuant to the Lease Agreement, the Board by execution of a Lease Schedule to the Lease Agreement (together with the Lease Agreement, the "Series 2019 Lease Agreement"), has provided for the financing of the acquisition, construction, installation, and lease-purchase to the Board of the Series 2019 Project (as herein defined); and

**WHEREAS**, provision for the financing of the Series 2019 Project will be made by the issuance and sale of \$\_\_\_\_\_ aggregate principal amount of Certificates of Participation, Series 2019 Evidencing an Undivided Proportionate Interest of Owners thereof in Basic Rent Payments to be made by The School Board of Santa County, Florida, as Lessee, pursuant to a Master Lease-Purchase Agreement with the Santa Rosa School Board Leasing Corporation, as Lessor (the "Series 2019 Certificates"), to be issued under the Trust Agreement and secured by and payable from the right of the Corporation to receive Basic Rent Payments to be made by the Board pursuant to the Series 2019 Lease Agreement; and

**WHEREAS**, at the request of the Board and the Corporation, the Trustee has agreed to deliver the Series 2019 Certificates pursuant to and upon receipt of a Request and Authorization from the Corporation and the Board and the terms of this Series 2019 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 Series 2019 Lease Agreement, the Lease Payments, and the Series 2019 Ground Lease Agreement, dated as of June 1, 2019, between the Board and the Corporation (the "Series 2019 Ground Lease Agreement"), other than its right 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 Agreement, dated as of June 1, 1992, as amended and supplemented, and as particularly supplemented by the Series 2019 Supplemental Assignment Agreement, dated as of June 1, 2019 (collectively, the "Assignment Agreement"), each between the Corporation and the Trustee; and

**WHEREAS**, the proceeds of the Series 2019 Certificates shall be used pursuant to the Trust Agreement to (i) finance or reimburse the Board for the costs of acquisition, construction, and installation of the Series 2019 Project, and (ii) pay costs of issuing the Series 2019 Certificates; and

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

**WHEREAS**, the Series 2019 Certificates shall be secured in the manner provided herein and in the Master Trust Agreement and shall have the terms and provisions contained in this Series 2019 Supplemental Trust Agreement; and

**WHEREAS**, all things necessary to make the Series 2019 Certificates, when authenticated by the Trustee and issued as provided herein and in the Master 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 2019 Supplemental Trust Agreement, and the creation, execution, and issuance of the Series 2019 Certificates, subject to the terms hereof, have in all respects been duly authorized;

NOW, THEREFORE, THIS SERIES 2019 SUPPLEMENTAL TRUST AGREEMENT  
WITNESSETH:

**ARTICLE I  
DEFINITIONS**

**SECTION 101. DEFINITIONS.**

Capitalized words and terms which are defined in the Master 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 2019 Supplemental Trust Agreement, the following capitalized words and terms as used in this Series 2019 Supplemental Trust Agreement shall have the following meanings unless the context or use indicates another or different meaning or intent:

**"Assignment Agreement"** means, collectively, the Assignment Agreement, dated as of June 1, 1992, as amended and supplemented, and as particularly supplemented by the Series 2019 Supplemental Assignment Agreement, dated as of June 1, 2019, each between the Corporation and the Trustee.

**"Disclosure Dissemination Agent"** means Digital Assurance Certification, L.L.C.

**"Disclosure Dissemination Agent Agreement"** means that certain Disclosure Dissemination Agent Agreement, dated as of June \_\_, 2019, between the Board and the Disclosure Dissemination Agent for the benefit of the Holders of the Series 2019 Certificates.

**["Insured Series 2019 Certificates"** means the Series 2019 Certificates maturing on February 1 in the years \_\_\_\_, \_\_\_\_, and \_\_\_\_ through \_\_\_\_, inclusive.

**["Insurer" or "Credit Enhancer"** means \_\_\_\_\_, or any successor thereto or assignee thereof.]

**"Lease Agreement"** means the Master Lease-Purchase Agreement, dated as of June 1, 1992, between the Corporation, as assignee of the Association, as lessor, and the Board, as lessee, including all Lease Schedules, as now or hereafter amended, modified, or supplemented.

**"Lease Schedule No. 2019"** means Lease Schedule No. 2019, dated as of the June 1, 2019, relating to the financing of the Series 2019 Project and which shall be part of the Lease Agreement.

**"Master Trust Agreement"** means the Trust Agreement, dated as of June 1, 1992, as amended and supplemented, among the Trustee, the Corporation, and the Board.

**["Municipal Bond Insurance Policy"** means the insurance policy issued by the Insurer guaranteeing the scheduled payment of principal of and interest on the Insured Series 2019 Certificates when due, as provided.]

**"Payment Dates"** means February 1 and August 1 of each year, commencing [February 1, 2020].

**["Related Documents"** means the Trust Agreement, the Series 2019 Lease Agreement, the Series 2019 Ground Lease Agreement, and the Assignment Agreement, each as supplemented and amended.]

**"Reserve Requirement"** means, with respect to the Series 2019 Certificates, zero dollars (\$0.00).

**"Series 2019 Account of the Prepayment Fund"** means the account established in the Prepayment Fund pursuant to Section 6.02 of the Master Trust Agreement and Section 401 hereof.

**"Series 2019 Account of the Rebate Fund"** means the account established in the Rebate Fund pursuant to Section 6.02 of the Trust Agreement and Section 401 hereof.

**"Series 2019 Certificates"** has the meaning set forth in the preambles hereof and shall further mean the Certificates authorized to be issued under Section 4.01 of the Master Trust Agreement and Section 201(a) hereof.

**"Series 2019 Ground Lease Agreement"** means the Series 2019 Ground Lease Agreement, dated as of June 1, 2019, between the Board and the Corporation.

**"Series 2019 Lease Agreement"** means the Lease Agreement, as amended and supplemented by Lease Schedule No. 2019.

**"Series 2019 Permitted Investments"** means the qualified investments set forth on Exhibit "A" hereto, to the extent such investments are permitted by law.

**"Series 2019 Pledged Accounts"** means the Series 2019 Subaccount of the Costs of Issuance Account, the Series 2019 Subaccount of the Interest Account, the Series 2019 Subaccount of the Principal Account, the Series 2019 Subaccount of the Project Account, and the Series 2019 Account of the Prepayment Fund, each established hereunder.

**"Series 2019 Project"** means the property and improvements described as the "Series 2019 Project" in the Lease Schedule No. 2019, as the same may be amended or modified from time to time.



**"Series 2019 Subaccount of the Costs of Issuance Account"** means the subaccount established in the Costs of Issuance Account of the Project Fund pursuant to Section 6.02 of the Master Trust Agreement and Section 401 hereof.

**"Series 2019 Subaccount of the Interest Account"** means the subaccount established in the Interest Account of the Lease Payment Fund pursuant to Section 6.02 of the Master Trust Agreement and Section 401 hereof.

**"Series 2019 Subaccount of the Principal Account"** means the subaccount established in the Principal Account of the Lease Payment Fund pursuant to Section 6.02 of the Master Trust Agreement and Section 401 hereof.

**"Series 2019 Account of the Prepayment Fund"** means the Account established in the Prepayment Fund pursuant to Section 6.02 of the Master Trust Agreement and Section 401 hereof.

**"Series 2019 Subaccount of the Project Account"** means the subaccount established in the Project Account of the Project Fund pursuant to Section 6.02 of the Master Trust Agreement and Section 401 hereof.

**"Series 2019 Supplemental Trust Agreement"** means this Series 2019 Supplemental Trust Agreement, dated as of June 1, 2019, among the Trustee, the Corporation, and the Board, as the same may be amended and supplemented from time to time.

**"Trust Agreement"** means the Master Trust Agreement, as amended and supplemented by this Series 2019 Supplemental Trust Agreement.

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**ARTICLE II**  
**THE SERIES 2019 CERTIFICATES**

**SECTION 201. AUTHORIZATION OF SERIES 2019 CERTIFICATES.**

(a) There is hereby created a Series of Certificates to be issued under the Master Trust Agreement and to be known as "Certificates of Participation, Series 2019 Evidencing an Undivided Proportionate Interest of Owners thereof in Basic Rent Payments to be made by The School Board of Santa Rosa County, Florida, as Lessee, pursuant to a Master Lease-Purchase Agreement with the Santa Rosa School Board Leasing Corporation, as Lessor." The aggregate principal amount of Series 2019 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 Master Trust Agreement. The Series 2019 Certificates shall be issued for the principal purposes of (i) financing the cost of lease-purchase financing of the Series 2019 Project, and (ii) paying Costs of Issuance of the Series 2019 Certificates[, including the cost of the Municipal Bond Insurance Policy]. The Series 2019 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 2019 Certificates shall be lettered and numbered R-1 and upward.

(b) Except as otherwise provided in the Trust Agreement, each Series 2019 Certificate shall be dated as of their date of delivery. Interest on the Series 2019 Certificates shall be payable on each Payment Date, commencing [February 1, 2020]. Such interest shall represent an undivided proportionate interest in the Interest Component of Basic Rent Payments represented by the Series 2019 Certificates due on June 30 and December 31 of each year as set forth in the Lease Schedule No. 2019.

(c) The Series 2019 Certificates shall bear interest at the respective rates and shall mature on February 1 in each of the years in the respective principal amounts set forth in the following schedule:

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Maturity (February 1)	Amount	Interest Rate
2020		
2021		
2022		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		
2039		
2040		
2041		
2042		
2043		
2044		

(d) Principal on the Series 2018 Certificates due at maturity or upon prepayment thereof, whichever is earlier, shall represent an undivided proportionate interest in the Principal Component of the Basic Rent Payments represented by the Series 2019 Certificates due on each of the dates set forth in Lease Schedule No. 2019.

(e) The Series 2019 Certificates shall be payable in the manner provided in the Trust Agreement.

(f) The Series 2019 Certificates maturing in the years 20\_\_ through 20\_\_, inclusive, shall be Serial Certificates, and the Series 2019 Certificates maturing in the year 20\_\_ shall be Term Certificates. The Series 2019 Certificates shall be substantially in the form set forth in Exhibit "B" to the Master Trust Agreement, with such changes as may be necessary to conform to the provisions of the Series 2019 Supplemental Trust Agreement.

**SECTION 202. ISSUANCE OF SERIES 2019 CERTIFICATES.**

The Series 2019 Certificates shall be issued upon delivery to the Trustee of documents referred to in Section 4.02(a) of the Master Trust Agreement and the payment of the purchase price therefor.

**SECTION 203. SERIES 2019 PROJECT.**

The Series 2019 Project shall be acquired, constructed, and installed as provided in the Trust Agreement, the Lease Agreement, and the Lease Schedule No. 2019.

**SECTION 204. LETTER OF INSTRUCTIONS.**

Attached hereto as Schedule I is the Letter of Instructions relating to the Series 2019 Certificates as required by Section 6.12 of the Master Trust Agreement. The Trustee, the Corporation, and the Board agree to abide by the provisions of such Letter of Instructions in accordance with the terms of the Trust Agreement.

**SECTION 205. FULL BOOK-ENTRY.**

Notwithstanding the provisions set forth in Section 201 hereof or Section 4.06 of the Master Trust Agreement, the Series 2019 Certificates shall be initially issued in the form of a separate single certificated fully registered Series 2019 Certificate for each of the maturities of the Series 2019 Certificates. Upon initial issuance, the ownership of each such Series 2019 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 Outstanding Series 2019 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 2019 Certificates shall be registered in the name of Cede & Co., all payments of interest on the Series 2019 Certificates shall be made by the Trustee by check or draft or by wire transfer to Cede & Co., as Holder of the Series 2019 Certificates.

With respect to Series 2019 Certificates registered in the registration books kept by the Trustee 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 2019 Certificates, (b) the delivery to any Participant or any other Person other than a Certificate Owner, as shown in the registration books kept by the Trustee, of any notice with respect to the Series 2019 Certificates, including any notice of prepayment, or (c) the payment to any Participant or any other Person, other than a Certificate Owner, 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 2019 Certificates. The Board, the Corporation, and the Trustee may treat and consider the Person in whose name each Series 2019 Certificate is registered in the registration books kept by the Trustee as the Holder and absolute owner of such Series 2019 Certificate for the purpose of payment of principal of, premium, if any, and interest with respect to such Series 2019 Certificate, for providing notices with respect to such Series 2019 Certificate, for the purpose of registering transfers with respect to such Series 2019 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 2019 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 2019 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 2019 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 2019 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 2019 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, the Series 2019 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 2019 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, premium, if any, and interest on the Series 2019 Certificates.

Prior to any transfer of the Series 2019 Certificates outside the book-entry system (including, but not limited to, the initial transfer outside the book-entry system) the transferor

shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under the Section 6045 of the Code. The Trustee shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

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**ARTICLE III**  
**APPLICATION OF PROCEEDS OF SERIES 2019 CERTIFICATES**

**SECTION 301. APPLICATION OF PROCEEDS OF SERIES 2019 CERTIFICATES.**

The proceeds of the Series 2019 Certificates (net of the Underwriters' discount of \$\_\_\_\_\_) shall be applied by the Trustee as follows:

(a) \$\_\_\_\_\_ deposited to the credit of the Series 2019 Subaccount of the Costs of Issuance Account, such amount being equal to the Costs of Issuance of the Series 2019 Certificates [and net of \$\_\_\_\_\_ for the Municipal Bond Insurance Policy premium which shall be wired directly by the Underwriters to the Insurer];

(b) [\$\_\_\_\_\_ deposited to the credit of the Series 2019 Subaccount of the Interest Account and representing the accrued interest on the Series 2019 Certificates; and]

(c) \$\_\_\_\_\_ deposited to the credit of the Series 2019 Subaccount of the Project Account.

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.

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**ARTICLE IV**  
**SECURITY FOR SERIES 2019 CERTIFICATES**

**SECTION 401. ESTABLISHMENT OF SERIES 2019 PLEDGED ACCOUNTS.**

(a) In accordance with Section 6.02(b) of the Master Trust Agreement, there are hereby established with the Trustee, solely for the benefit of the Owners of the Series 2019 Certificates, the following accounts and subaccounts:

(i) in the Project Fund, the "The School Board of Santa Rosa County, Florida Master Lease Series 2019 Subaccount of the Costs of Issuance Account,"

(ii) in the Lease Payment Fund, the "The School Board of Santa Rosa County, Florida Master Lease Series 2019 Subaccount of the Interest Account" and the "School Board of Santa Rosa County, Florida Master Lease Series 2019 Subaccount of the Principal Account,"

(iii) in the Prepayment Fund, the "The School Board of Santa Rosa County, Florida Master Lease Series 2019 Account," and

(iv) in the Project Account of the Project Fund, the "The School Board of Santa Rosa County, Florida Master Lease Series 2019 Subaccount."

(b) In accordance with Section 6.02(b) of the Master Trust Agreement, there is hereby established with the Trustee, the "The School Board of Santa Rosa County, Florida Master Lease Series 2019 Account of the Rebate Fund."

(c) The moneys on deposit in the accounts and the 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 2019 Pledged Accounts shall be invested solely in the Series 2019 Permitted Investments pursuant to Section 6.10 of the Master Trust Agreement and this Series 2019 Supplemental Trust Agreement.

**SECTION 402. SECURITY FOR SERIES 2019 CERTIFICATES.**

The Series 2019 Certificates shall be secured in the manner provided in the Trust Agreement as an additional Series of Certificates and shall receive all the benefits of the Trust Estate created thereunder, including all right, title, and interest of the Corporation in, to, and under (a) the Master Trust Agreement as particularly supplemented by this Series 2019 Supplemental Trust Agreement, (b) the Lease Agreement as particularly supplemented by Lease Schedule No. 2019, (c) the Series 2019 Ground Lease Agreement, and (d) the Assignment Agreement; provided, however, such portion of the Trust Estate (i) which is derived from the lease, lease-purchase, sale, re-letting, or other disposition of the Series 2019 Project shall be



utilized solely for the benefit of the Owners of the Series 2019 Certificates and (ii) any cash, securities, and investments in the Series 2019 Pledged Accounts shall be utilized solely for the benefit of the Owners of the Series 2019 Certificates. The Owners of the Series 2019 Certificates shall have no claim against, nor receive any benefits from, any portion of the Trust Estate derived from the lease, lease-purchase, sale, re-letting, or other disposition of the Projects, other than the Series 2019 Project, or any cash, securities, and investments in the Pledged Accounts, other than the Series 2019 Pledged Accounts.

#### **SECTION 403. SURPLUS AMOUNTS IN PROJECT SUBACCOUNT.**

Notwithstanding anything herein or in the Series 2019 Lease Agreement to the contrary, any surplus amounts (any amount in excess of the cost of the Series 2019 Project) in the Series 2019 Subaccount of the Project Account may be used for other capital improvements of the Board at the discretion of the Board by amending the Series 2019 Ground Lease Agreement and the Lease Schedule No. 2019 to add such improvements to the Series 2019 Project. Such amendments shall not require consent of any other party other than the Corporation, as a party to the amending documents.

#### **SECTION 404. RESERVE ACCOUNT.**

The Reserve Requirement for the Series 2019 Certificates is equal to zero dollars (\$0.00); the Series 2019 Certificates shall not be entitled to any payment from or benefit of the Reserve Account for any other Series of Certificates.

#### **SECTION 405. INVESTMENTS.**

The moneys in the Series 2019 Pledged Accounts shall be invested only at the written direction of the Board in Series 2019 Permitted Investments pursuant to Section 6.10 of the Trust Agreement and this Series 2019 Supplemental Trust Agreement. The Trustee may conclusively rely upon the Board's written instructions as to both the suitability and legality of all directed investments. Ratings of investments shall be determined at the time of purchase of such investments and without regard to ratings subcategories. The Trustee shall have no responsibility to monitor the ratings of investments after the initial purchase of such investments. The Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such investments. The Trustee shall not be liable for any losses in connection with any directed investments. Although the Corporation and the Board each recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the Corporation and the Board hereby agree that broker confirmations of investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered by the Trustee.

**[SECTION 406. CREDIT ENHANCER.]**

The Insured Series 2019 Certificates shall be further secured by the Municipal Bond Insurance Policy issued by the Insurer, which shall be the Credit Enhancer and Insurer for the Insured Series 2019 Certificates. With respect to the Insured Series 2019 Certificates, the Insurer shall have all the rights provided for such Credit Enhancer under the terms of the Related Documents.]

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**ARTICLE V**  
**PREPAYMENT OF SERIES 2019 CERTIFICATES**

**SECTION 501. PREPAYMENT DATES AND PRICES OF SERIES 2019 CERTIFICATES.**

(a) The Series 2019 Certificates are subject to prepayment only as provided in this Section 501. The Series 2019 Certificates are not subject to extraordinary mandatory prepayment pursuant to Section 6.03(g) of the Master Trust Agreement or Section 5.08(c) or 5.08(d) of the Lease Agreement.

(b) The Series 2019 Certificates maturing prior to February 1, 20\_\_, are not subject to optional prepayment prior to maturity. The Series 2019 Certificates maturing on or after February 1, 20\_\_, may be prepaid, from prepayments of Basic Rent made by the Board pursuant to the Lease Agreement, in whole or in part on February 1, 20\_\_, or any date thereafter, and if in part, 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 2019 Certificates to be prepaid, plus accrued and unpaid interest thereon.

[(c) The Series 2019 Certificates maturing on February 1, 20\_\_, shall be subject to mandatory sinking fund prepayment on February 1, 20\_\_, and on each February 1 thereafter in the Amortization Installments and in the years set forth below. The Trustee shall select such Series 2019 Certificates by lot in such manner as it deems appropriate in its sole discretion.

	Amortization
<u>Year</u>	<u>Installment</u>

---

\* Maturity]

(d) Notwithstanding any provision of the Trust Agreement to the contrary, the Board shall not be required to deposit funds with the Trustee prior to the mailing by the Trustee of any notice of prepayment thereunder, provided that, in such case, any notice of any prepayment of Series 2019 Certificates shall explicitly state that the proposed prepayment is conditioned on there being on deposit in the applicable account or subaccount on the prepayment date sufficient funds to pay the full Prepayment Price of the Series 2019 Certificates to be prepaid or any other conditions as may be set forth in such notice of prepayment. In the event the conditions stated in the notice of prepayment are not satisfied on the proposed prepayment date, such prepayment shall not occur and such notice of prepayment shall be of no further force or effect. Except as provided herein, the Series 2019 Certificates shall be called for prepayment upon the notice and in the manner provided in Article V of the Trust Agreement.

**ARTICLE VI**  
**PROVISIONS RELATING TO SERIES 2019 CERTIFICATES**

**SECTION 601. CONTINUING DISCLOSURE.**

Notwithstanding any other provision of the Master Trust Agreement or this Series 2019 Supplemental Trust Agreement to the contrary, failure of the Board or the Dissemination Agent to comply with the Disclosure Dissemination Agent Agreement shall not be considered an "event of default" thereunder or hereunder and all rights and remedies shall be limited to those expressly stated therein. In the event of a failure of the Board or the Dissemination Agent to comply with any provision of the Disclosure Dissemination Agent Agreement, the Owners' rights to enforce the provisions of such Disclosure Dissemination Agent Agreement shall, to the extent allowed by applicable law, be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation thereunder.

**[SECTION 602. PROVISIONS REGARDING MUNICIPAL BOND INSURANCE POLICY; ADDITIONAL OBLIGATIONS OF THE BOARD.]**

The following provisions relating to the Insured Series 2019 Certificates shall apply so long as the Insurer's Municipal Bond Insurance Policy is in full force and effect:]

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**ARTICLE VII  
MISCELLANEOUS**

**SECTION 701. PROVISIONS OF MASTER TRUST AGREEMENT NOT OTHERWISE MODIFIED.**

Except as expressly modified or amended hereby, the Master Trust Agreement shall remain in full force and effect. To the extent of any conflict between the terms of the Master Trust Agreement and this Series 2019 Supplemental Trust Agreement, the terms hereof shall control.

**SECTION 702. THIRD PARTY BENEFICIARIES.**

Nothing in this Series 2019 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 Insurer,] and the Board any rights, remedies, or claims under or by reason of this Series 2019 Supplemental Trust Agreement or any covenants, condition, or stipulation hereof; and all covenants, stipulations, promises, and agreements in this Series 2019 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 Insurer,] and the Board shall be deemed a third party beneficiary of this Series 2019 Supplemental Trust Agreement.

**SECTION 703. COUNTERPARTS.**

This Series 2019 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 headings 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 2019 Supplement Trust Agreement, nor shall they affect its meaning, construction or effect.

**SECTION 705. LAWS.**

This Series 2019 Supplemental Trust Agreement shall be construed and governed in accordance with the laws of the State of Florida.

**SECTION 706. NOTICES.**

(a) All written notices, certificates, reports, or statements to be given under the Trust Agreement, the Lease Agreement, or the Series 2019 Ground Lease Agreement shall be given by mail or personal delivery to the party entitled thereto, with a copy to each of the other parties to the Trust Agreement, to its address set forth below, or at such address as the party may provide to the other party in writing from time to time. Notice shall be effective upon deposit in the United States mail, postage prepaid or, in the case of personal delivery, upon delivery, to the address set forth below.

If to the Board:

The School Board of Santa Rosa County, Florida  
6032 U.S. Highway 90  
Milton, Florida 32570  
Attention: Superintendent

If to the Corporation: Santa Rosa School Board Leasing Corporation  
6032 U.S. Highway 90  
Milton, Florida 32570  
Attention: President

If to the Trustee: The Bank of New York Mellon Trust Company, N.A.  
Corporate Trust Division  
10161 Centurion Parkway North  
Jacksonville, Florida 32256

(b) Any such notice, demand, or request may also be transmitted to the appropriate above-mentioned party by telecopy or telephone and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed in writing and sent as specified above.

(c) Any of such addresses may be changed at any time upon written notice of such change sent by United States registered mail, postage prepaid, to the other parties by the party effecting the change.

(d) All documents received by the Trustee under the provisions of this Series 2019 Supplemental Trust Agreement, or photostatic copies thereof, shall be retained in its possession until this Series 2019 Supplemental Trust Agreement shall be released under the provisions of Section 12.01 of the Trust Agreement, subject at all reasonable times to the inspection of the Corporation, the Board, and any Owner and the agents and representatives thereof.

(e) The Trustee shall have the right to accept and act upon directions given pursuant to the Trust Agreement, the Lease Agreement, the Series 2019 Ground Lease Agreement, or any other document reasonably relating to the Series 2019 Certificates and delivered using Electronic

Means (as defined below); provided, however, that the Corporation or the Board, as the case may be, shall provide to the Trustee an incumbency certificate listing Authorized Officers with the authority to provide such directions (each, an "Authorized Officer") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the Corporation or the Board elects to give the Trustee directions using Electronic Means and the Trustee in its discretion elects to act upon such directions, the Trustee's understanding of such directions shall be deemed controlling. The Corporation and the Board each understands and agrees that the Trustee cannot determine the identity of the actual sender of such directions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Corporation and the Board, as the case may be, shall each be responsible for ensuring that only Authorized Officers transmit such directions to the Trustee and that all Authorized Officers treat applicable user and authorization codes, passwords, and/or authentication keys as confidential and with extreme care. The Trustee shall not be liable for any losses, costs, or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such directions notwithstanding such directions conflict or are inconsistent with a subsequent written direction. Each of the Corporation and the Board agree: (i) to assume all risks arising out of the use of Electronic Means to submit directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized directions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting directions to the Trustee and that there may be more secure methods of transmitting directions; (iii) that the security procedures (if any) to be followed in connection with its transmission of directions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures (if any). "Electronic Means" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

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**IN WITNESS WHEREOF**, the Trustee has executed this Series 2019 Supplemental Trust Agreement by its authorized signatory thereunto duly authorized as of the date and year first written above.

**THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A., as Trustee**

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



IN WITNESS WHEREOF, the Corporation has executed this Series 2019 Supplemental Trust Agreement by its officers thereunto duly authorized as of the date and year first written above

**SANTA ROSA SCHOOL BOARD**  
**LEASING CORPORATION**, as Lessor

(SEAL)

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

ATTEST:

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

**IN WITNESS WHEREOF**, the Board has executed this Series 2019 Supplemental Trust Agreement by its officers thereunto duly authorized as of the date and year first written above.

**THE SCHOOL BOARD OF SANTA ROSA  
COUNTY, FLORIDA**, as Lessee

(SEAL)

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

ATTEST:

By: \_\_\_\_\_  
Superintendent, ex-officio Secretary

## EXHIBIT A

### PERMITTED INVESTMENTS

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 is 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 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, 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, 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 Bonds;

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

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

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

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

13. Investments in the Florida PRIME if the Florida PRIME shall be rated "AAAm" by S&P or the equivalent by Moody's at the time of investment.

**SCHEDULE I**

**LETTER OF INSTRUCTIONS**

[See Closing Transcript Item No. [\_\_]]



**EXHIBIT D**

**FORM OF CERTIFICATE PURCHASE CONTRACT**

\$[\_\_\_\_\_]  
**CERTIFICATES OF PARTICIPATION, SERIES 2019**  
**Evidencing an Undivided Proportionate Interest of Owners thereof**  
**in Basic Rent Payments to be made by**  
**The School Board of Santa Rosa County, Florida, as Lessee**  
**pursuant to a Master Lease-Purchase Agreement with the**  
**Santa Rosa School Board Leasing Corporation, as Lessor**

July \_\_, 2019

**CERTIFICATE PURCHASE CONTRACT**

The School Board of Santa Rosa County  
Santa Rosa School Board Leasing Corporation  
6032 U.S. Highway 90  
Milton, Florida 32570

Ladies and Gentlemen:

The undersigned, BofA Securities, Inc. (the "Representative"), on behalf of itself and Raymond James & Associates, Inc. (collectively, the "Underwriters") offers to enter into this Certificate Purchase Contract (the "Purchase Contract") with The School Board of Santa Rosa County, Florida (the "Board"), a school board duly organized and operating under the laws of the State of Florida (the "State") and the Santa Rosa School Board Leasing Corporation (the "Corporation"), a Florida not-for-profit educational corporation, which upon acceptance of this offer by the Board and the Corporation will be binding upon the Board and the Corporation and upon the Underwriters. This offer is made subject to written acceptance hereof by the Board and the Corporation at or before 11:00 p.m., local time, on the date hereof and, if not so accepted, will be subject to withdrawal by the Underwriters upon notice delivered to the Board and the Corporation at any time prior to the acceptance hereof by the Board and the Corporation. The parties hereto agree and acknowledge that the obligations of the Board and the Corporation hereunder do not constitute a general obligation of the Board or the Corporation. The Representative hereby represents that it is authorized to execute and deliver this Purchase Contract on behalf of the Underwriters and has been duly authorized to act hereunder on behalf of itself, and the other Underwriters.

The Board and the Corporation each acknowledge and agree that (i) the purchase and sale of the Certificates described in the above heading (the "Certificates") contemplated by this Purchase Contract is an arm's length, commercial transaction among the Board, the Corporation, and the Underwriters in which the primary role of each of the Underwriters, as underwriters, is to purchase securities for resale to investors, and each of the Underwriters is acting solely as a principal and is not acting as a municipal advisor, financial advisor, or

fiduciary to the either the Board or the Corporation; (ii) the Underwriters have not assumed any advisory or fiduciary responsibility to the Board or the Corporation with respect to the transactions contemplated hereby and the discussions, undertakings, and procedures leading thereto (irrespective of whether any of the Underwriters or any their respective affiliates have provided other services or are currently providing other services to the Board or the Corporation on other matters); (iii) the only obligations the Underwriters have to the Board and the Corporation with respect to the transaction contemplated hereby expressly are set forth in this Purchase Contract; (iv) the Board and the Corporation have each consulted their own financial and/or municipal, legal, accounting, tax, and other advisors, as applicable, to the extent it has deemed appropriate, including PFM Financial Advisors LLC (the "Financial Advisor"); and (v) the Underwriters have financial and other interests that differ from those of the Board and the Corporation.

1. Purchase and Sale. Upon the terms and conditions and in reliance upon the representations, covenants, and agreements set forth herein, the Underwriters hereby agree to purchase, and the Board agrees to cause The Bank of New York Mellon Trust Company, N.A., Jacksonville, Florida, as trustee (the "Trustee"), to execute and deliver to the Underwriters, all (but not less than all) of the aggregate principal amount of the Certificates. The Certificates shall be dated as of their date of delivery. The purchase price for the Certificates shall be \$[\_\_\_\_\_] (which price represents the par amount of \$[\_\_\_\_\_] [plus/less] original issue [premium/discount] of \$[\_\_\_\_\_] and less the Underwriters' discount of \$[\_\_\_\_\_] ).

The Certificates shall be as described in and shall be authorized by a resolution adopted by the Board on May 16, 2019 (the "Resolution"), and shall be issued under and secured pursuant to the provisions of a Trust Agreement, dated as of June 1, 1992, as amended and supplemented (the "Master Trust"), and particularly as amended and supplemented with respect to the Certificates by a Series 2019 Supplemental Trust Agreement, dated as of July 1, 2019 (together with the Master Trust, the "Trust Agreement"), each by and among the Board, the Corporation, and the Trustee. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Trust Agreement. The Certificates shall mature at the times and in the amounts and bear interest at the rates set forth in Appendix A attached hereto and shall be subject to optional prepayment at the times and at the prices set forth in Appendix B attached hereto. The information required by Section 218.385(6), Florida Statutes, as amended, to be provided by the Underwriters is set forth in Appendix C attached hereto. Further, in order to assist the Board in complying with Section 218.385(2) and (3), Florida Statutes, as amended, the Underwriters are providing the Board with the information needed to complete a truth-in-bonding statement, the form of which is attached as Appendix D attached hereto.

The Certificates are being issued for the principal purposes of providing funds sufficient to (i) finance or reimburse the Board for the costs of acquisition, construction, and installation of the Series 2019 Project (as defined in the hereinafter defined Lease Schedule No. 2019), and (ii) pay costs of issuing the Certificates.

2. Delivery of Offering Statement and Other Documents.

(a) Prior to the date hereof, the Board and the Corporation have provided, or caused to be provided, to the Underwriters for their review the Preliminary Offering Statement, dated June \_\_, 2019 (including the cover page, inside cover page, and appendices contained therein, the "Preliminary Offering Statement"), that the Board hereby deems final in accordance with Rule 15c2-12 of the Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934, as amended (the "SEC Rule"), as of its date, except for certain permitted omissions in connection with the pricing of the Certificates.

(b) The final Offering Statement, dated the date hereof (including the cover page, inside cover page, and appendices contained therein, the "Offering Statement"), together with any supplements and amendments thereto, substantially in the form of the Preliminary Offering Statement, with only such changes therein as shall have been accepted by the Underwriters, executed on behalf of the Board by the Chairperson and the Superintendent of Schools shall be provided for distribution, at the expense of the Board and the Corporation, in such quantity as may be requested by the Underwriters no later than the earlier of (i) seven (7) business days after the date of this Purchase Contract (or within such shorter period as may be reasonably requested by the Underwriters in order to accompany any confirmation that requests payment from any customer to comply with Rule G-32 of the Municipal Securities Rulemaking Board (the "MSRB")) or (ii) one (1) business day prior to the Date of Closing, in order to permit the Underwriters to comply with the SEC Rule, and the applicable rules of the MSRB, with respect to distribution of the Offering Statement. The Board shall prepare the Offering Statement, including any supplements or amendments thereto, in word-searchable PDF format as described in the MSRB's Rule G-32 and shall provide the electronic copy of the word-searchable PDF format of the Offering Statement to the Underwriters no later than one (1) business day prior to the Date of Closing to enable the Underwriters to comply with MSRB Rule G-32.

(c) At or prior to the Closing (as hereinafter defined), the Representative shall file, or cause to be filed, the Offering Statement with the MSRB via its Electronic Municipal Market Access ("EMMA") system.

(d) At Closing, the Board shall deliver, or cause to be delivered, to the Underwriters copies of the Resolution, certified to by its Secretary, substantially in the form heretofore delivered to the Underwriters, with only such changes therein as agreed upon by the Underwriters.

3. Public Offering; Issue Price.

(a) The Underwriters agree, jointly and severally, to make a bona fide public offering of all the Certificates at prices not in excess of the initial public offering prices or yields not less than the yields set forth on the inside cover page of the Offering Statement. The Underwriters reserve the right to make concessions to dealers and to charge such initial public offering prices as the Underwriters reasonably deem necessary in connection with the marketing of the Certificates.

(b) The Representative, on behalf of the Underwriters, agrees to assist the Board in establishing the issue price of the Certificates and shall execute and deliver to the Board at Closing an "issue price" or similar certificate, substantially in the form attached hereto as Appendix E, together with the supporting pricing wires or equivalent communications, with modifications to such certificate as may be deemed appropriate or necessary, in the reasonable judgment of the Representative, the Board, and Special Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Certificates.

(c) [Except for the maturities set forth in Schedule A to Appendix E attached hereto,] the Board will treat the first price at which 10% of each maturity of the Certificates (the "10% test") is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test).

(d) [The Representative confirms that the Underwriters have offered the Certificates to the public on or before the date of this Purchase Contract at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the final Offering Statement. Schedule A to Appendix E sets forth, as of the date of this Purchase Contract, the maturities, if any, of the Certificates for which the 10% test has not been satisfied and for which the Board and the Representative, on behalf of the Underwriters, agree that (i) the Representative will retain all unsold Certificates of each maturity for which the 10% test has not been satisfied and not allocate any such Certificates to any other Underwriter and (ii) the restrictions set forth in the next sentence shall apply, which will allow the Board to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Certificates, the Representative will neither offer nor sell unsold Certificates of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

1. the close of the fifth (5th) business day after the sale date; or

2. the date on which the Underwriters have sold at least 10% of that maturity of the Certificates to the public at a price that is no higher than the initial offering price to the public.

The Representative shall promptly advise the Board or the Board's municipal advisor when the Underwriters have sold 10% of that maturity of the Certificates to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

The Board acknowledges that, in making the representation set forth in this subsection, the Representative will rely on (i) the agreement of each Underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Certificates to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Certificates to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The Board further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Certificates.]

(e) The Representative confirms that:

(i) any agreement among underwriters, any selling group agreement, and each retail distribution agreement (to which the Representative is a party) relating to the initial sale of the Certificates to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Certificates of each maturity allotted to it until it is notified by the Representative that either the 10% test has been satisfied as to the Certificates of that maturity or all Certificates of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Representative and as set forth in the related pricing wires, and

(ii) any agreement among underwriters relating to the initial sale of the Certificates to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Certificates to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Certificates of each maturity allotted to it until it is notified by the Representative or the Underwriter that either the 10% test has been satisfied as to the Certificates of that maturity or all Certificates of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Representative or the Underwriter and as set forth in the related pricing wires.

(f) The Underwriters acknowledge that sales of any Certificates to any person that is a related party to an Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) "public" means any person other than an underwriter or a related party to an underwriter,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the Board (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Certificates to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Certificates to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Certificates to the public),

(iii) a purchaser of any of the Certificates is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date of execution of this Purchase Contract by all parties.

(g) The Board and the Corporation hereby authorize the Underwriters to use the Offering Statement and the information contained therein in connection with the offering and sale of the Certificates and ratings and confirm their authorization of the use by the Underwriters prior to the date hereof of the Preliminary Offering Statement in connection with such offering and sale.

4. Good Faith Check. Delivered to the Board herewith is a corporate check of the Representative, payable to the order of the Board in the sum of \$[\_\_\_\_\_] (the "Good Faith Check"). In the event that this offer is accepted, the Good Faith Check shall be held uncashed by the Board until the Closing and in the event the Underwriters comply with their obligations to accept and pay for the Certificates, as provided herein, said check shall be returned to the Representative at the Closing. In the event that the Board does not approve this offer, the Good Faith Check shall be immediately returned to the Representative. In the event that the Underwriters fail (other than for a reason permitted hereunder) to accept and pay for the Certificates at the Closing as herein provided, the Board may cash the Good Faith Check and apply the funds to defray its expenses and to pay liquidated damages for such failure and for any defaults hereunder on the part of the Underwriters, and such use shall constitute a full release and discharge of all claims by the Board against the Underwriters arising out of the transactions contemplated hereby. In the event of the failure by the Board to deliver the Certificates at the Closing, or if the Board shall be unable to satisfy the conditions to the obligations of the Underwriters contained herein (unless such conditions are waived by the Representative), or if the obligations of the Underwriters shall be terminated for any reason permitted hereunder, the Board shall immediately cause the Good Faith Check to be returned to the Representative, and such return shall constitute a full release and discharge of all claims by the Underwriters against the Board arising out of the transactions contemplated hereby.

5. Representations and Agreements.

(a) By its acceptance hereof, the Board represents to and agrees with the Underwriters that, as of the date hereof:

(i) The Board is duly and validly existing as a body corporate and politic pursuant to Article IX, Section 4(a) of the Florida Constitution and the laws of the State (particularly Chapter 1001, Florida Statutes) and is the governing body of the public schools within the School District of Santa Rosa County, Florida (the "District").

(ii) The Board has full legal right, power, and authority to enter into this Purchase Contract, the Master Lease-Purchase Agreement, dated as of June 1, 1992, between the Board and the Corporation, as amended and supplemented (the "Master Lease"), and particularly as amended and supplemented by the Lease Schedule No. 2019, dated as of July 1, 2019 (the "Lease Schedule No. 2019")



and, together with the Master Lease, the "Lease Agreement"), the Disclosure Dissemination Agent Agreement, dated the Date of Closing, between the Board and Digital Assurance Certification, L.L.C. (the "Disclosure Agreement"), the Series 2019 Ground Lease Agreement, dated as of July 1, 2019 (the "Ground Lease"); and the Trust Agreement (collectively, the "Board Certificate Documents"); by official action of the Board taken prior to or concurrently with the acceptance hereof, the Resolution has been duly adopted in accordance with the Constitution of the State and the laws of the State; the Resolution is in full force and effect and has not been rescinded; the Board Certificate Documents, when executed by the Board will each be duly authorized and delivered and, assuming the due authorization, execution, and delivery by the other parties thereto, will constitute the legal, valid, and binding obligations of the Board enforceable in accordance with their respective terms, except as the enforcement thereof may be affected by bankruptcy, insolvency, or other laws affecting the rights of creditors or tenants generally or the application by a court of equitable principles; the Board has duly authorized and approved the consummation by it of all other transactions contemplated by the Resolution, the Offering Statement, and the Board Certificate Documents to have been performed or consummated at or prior to the Date of Closing.

(iii) The execution and delivery of the Board Certificate Documents, the issuance by the Trustee of the Certificates, and the adoption of the Resolution, and compliance with the obligations on the Board's part contained herein and therein, will not conflict with or constitute a material breach of or material default under any federal or State constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement, or other instrument to which the Board is a party or to which the Board or any of its properties or other assets is otherwise subject, nor will any such execution, delivery, adoption, implementation, or compliance result in the creation or imposition of any material lien, charge, or other security interest or encumbrance of any nature whatsoever upon any of the properties or other assets of the Board under the terms of any such provision, law, regulation, document, or instrument, except as provided or permitted by the Certificates and the Board Certificate Documents.

(iv) All approvals, consents, and orders of any governmental authority, legislative body, board, agency, or commission having jurisdiction which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the Board of its obligations under the Board Certificate Documents have been, or prior to the Closing will have been, duly obtained; provided, however, that this representation does not apply to such approvals, consents, and orders as may be required under the

"Blue Sky" or securities laws of any state in connection with the offering and sale of the Certificates.

(v) As of its date and as of the date hereof, the statements and information contained in the Preliminary Offering Statement were and are true and correct in all material respects and the Preliminary Offering Statement did not as of its date and does not as of the date hereof omit any statement which should be included therein for the purposes for which the Preliminary Offering Statement is to be used or which is necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading (except in each case with respect to DTC and its book-entry only system [and information related to the Insurer or its Policy], as to which no view is expressed).

(vi) As of the date of the Offering Statement and the Date of Closing, the statements and information contained in the Offering Statement will be true and correct in all material respects and the Offering Statement will not omit any statement which should be included therein for the purposes for which the Offering Statement is to be used or which is necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading (except in each case with respect to DTC and its book-entry only system [and information related to the Insurer or its Policy], as to which no view is expressed).

(vii) If the Offering Statement is supplemented or amended, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended) at all times subsequent thereto up to and including the Date of Closing, the statements and information contained in the Offering Statement, as supplemented or amended, will be true and correct in all material respects and the Offering Statement, as supplemented or amended, will not omit any statement which should be included therein for the purposes for which the Offering Statement, as supplemented or amended, is to be used or which is necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading (except in each case with respect to DTC and its book-entry only system [and information related to the Insurer or its Policy], as to which no view is expressed).

(viii) Except as described in the Offering Statement, there is no action, suit, proceeding, inquiry, or investigation, at law or in equity before or by any court, governmental agency, or public board or body, pending or, to the best knowledge of the Board, threatened against the Board: (A) which may affect the existence of the Board or the titles or rights of their officers to their respective offices; (B) which may affect or which seeks to prohibit, restrain, or enjoin the

sale, issuance, or delivery of the Certificates, or the collection or payment of the Basic Rent and Supplemental Rent or assignment thereof to make payments on the Certificates and to make other payments under the Lease Agreement; (C) which in any way contests or affects the validity or enforceability of the Certificates, the Resolution, the Board Certificate Documents, or any of them; (D) which would cause the Interest Component of Basic Rent Payments to be included in gross income of the holders of the Certificates for purposes of federal income taxation; or (E) which contests in any way the completeness or accuracy of the Offering Statement or which contests the powers of the Board or any authority or proceedings for the issuance, sale, or delivery of the Certificates, or the due adoption of the Resolution or the execution and delivery of the Board Certificate Documents or any of them; nor, to the best knowledge of the Board, is there any basis therefor wherein an unfavorable decision, ruling, or finding would materially adversely affect the validity or enforceability of the Certificates, the Resolution, or the Board Certificate Documents or any of them. The Board shall advise the Representative promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Preliminary Offering Statement or the Offering Statement in connection with the offering, sale, or distribution of the Certificates.

(ix) The Board will furnish such information, execute such instruments, and take such other action not inconsistent with the law in cooperation with the Underwriters, as the Underwriters may reasonably request, in order: (A) to qualify the Certificates for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriters may designate; and (B) to determine the eligibility of the Certificates for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the initial distribution of the Certificates; provided that the Board shall not be obligated to pay any fee, qualify to do business, or to take any action that would subject it to general service of process in any state where it is not now so subject.

(x) If, after the date of this Purchase Contract and until the earlier of (A) ninety (90) days from the "end of the underwriting period," as defined in the SEC Rule, or (B) the time when the Offering Statement is available to any person from a nationally recognized repository, but in no case less than twenty-five (25) days following the end of the underwriting period, the Board becomes aware that any event shall have occurred which might or would cause the Offering Statement, as then supplemented or amended, to contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Board shall notify the Representative thereof, and, if in the

opinion of the Representative or the Board, such event requires the preparation and publication of a supplement or amendment to the Offering Statement, the Board will, at its own expense, forthwith prepare and furnish to the Underwriters a sufficient number of copies of an amendment of or supplement to the Offering Statement (in form and substance satisfactory to the Underwriters and their counsel), which will supplement or amend the Offering Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances existing at such time, not misleading.

(xi) The Board covenants to comply with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), in order to maintain the exclusion from gross income for purposes of federal income taxation of the Interest Component of Basic Rent Payments related to the Certificates, subject to the right of the Board to non-appropriate. These requirements include, but are not limited to, provisions which prescribe yield and other limits within which the proceeds of the Certificates and other amounts are to be invested and require that certain investment earnings on the foregoing must be rebated on a periodic basis to the Treasury Department of the United States. The Board does not have any material unfunded rebate obligations with respect to any Certificates previously issued under the Trust Agreement.

(xii) The Board has not, since December 31, 1975, been in default in the payment of principal of, premium, if any, or interest on, or otherwise been in default with respect to, any bonds, notes, or other obligations which it has issued, assumed, or guaranteed as to payment of principal, premium, if any, or interest.

(xiii) Other than as disclosed in the Preliminary Offering Statement and the Offering Statement, the Board has not in the past five years failed to comply in any material respect with any previous continuing disclosure undertakings made pursuant to the SEC Rule.

(xiv) Since June 30, 2018, the date of the latest available audited financial statements of the Board, other than as disclosed in the Preliminary Offering Statement and the Offering Statement, there has been no material adverse change in the financial position or results of operation of the Board, nor has the Board incurred any material liabilities other than in the ordinary course of business.

(b) By its acceptance hereof, the Corporation represents to and agrees with the Underwriters that, as of the date hereof:

(i) The Corporation is a not-for-profit corporation duly organized, incorporated, validly existing, and in good standing under the laws of the State (particularly Chapter 617, Florida Statutes).

(ii) The Corporation has full legal right, power, and authority to enter into this Purchase Contract, the Lease Agreement, the Trust Agreement, the Assignment Agreement, dated as of June 1, 1992, as amended and supplemented (the "Assignment"), particularly as amended by the Series 2019 Supplemental Assignment Agreement, dated as of July 1, 2019 (the "Series 2019 Supplemental Assignment Agreement" and, together with the Assignment, the "Series 2019 Assignment"), each from the Corporation to the Trustee, and the Ground Lease (collectively, the "Corporation Certificate Documents"); the Corporation Certificate Documents have been duly authorized, executed, and delivered by the Corporation and, assuming the due authorization, execution, and delivery of the other parties thereto, constitute the legal, valid, and binding obligations of the Corporation enforceable in accordance with their respective terms, except as the enforcement thereof may be affected by bankruptcy, insolvency, or other laws affecting the rights of creditors or tenants generally or the application by a court of equitable principles; the resolution adopted by the Corporation on May 16, 2019 (the "Corporation Resolution") is in full force and effect and has not been rescinded; the Corporation has duly authorized and approved the consummation by it of all other transactions contemplated by the Corporation Certificate Documents to have been performed or consummated at or prior to the Date of Closing.

(iii) The execution and delivery of the Corporation Certificate Documents, the adoption of the Corporation Resolution and compliance with the obligations on the Corporation's part contained herein and therein and the authorization of and issuance of the Certificates by the Trustee, will not conflict with or constitute a material breach of or material default under any federal or State constitutional provisions, law, administrative regulations, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement, or other instrument to which the Corporation is a party or to which the Corporation or any of its properties or other assets is otherwise subject, nor will any such execution, delivery, adoption, implementation, or compliance result in the creation or imposition of any material lien, charge, or other security interest or encumbrance of any nature whatsoever upon any of the properties or other assets of the Corporation under the terms of any such provision, law, regulation, document, or instrument, except as provided or permitted by the Corporation Resolution and the Corporation Certificate Documents.

(iv) All approvals, consents, and orders of any governmental authority, legislative body, board, agency, or commission having jurisdiction

which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the Corporation of its obligations under the Corporation Certificate Documents have been, or prior to the Closing will have been, duly obtained; provided, however, that this representation does not apply to such approvals, consents, and orders as may be required under the "blue sky" or securities laws of any state in connection with the offering and sale of the Certificates.

(v) As of its date and as of the date hereof, the statements and information contained in the Preliminary Offering Statement related to the Corporation were and are true and correct in all material respects and the Preliminary Offering Statement did not and does not omit any statement related to the Corporation which should be included therein for the purposes for which the Preliminary Offering Statement is to be used or which is necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading (except in each case with respect to DTC and its book-entry only system [and information related to the Insurer or its Policy], as to which no view is expressed).

(vi) As of the date of the Offering Statement and the Date of Closing, the statements and information contained in the Offering Statement related to the Corporation will be true and correct in all material respects and the Offering Statement will not omit any statement related to the Corporation which should be included therein for the purposes for which the Offering Statement is to be used or which is necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

(vii) If the Offering Statement is supplemented or amended, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended) at all times subsequent thereto up to and including the time of Closing, the statements and information contained in the Offering Statement, as supplemented or amended, related to the Corporation will be true and correct in all material respects and the Offering Statement, as supplemented or amended, will not omit any statement related to the Corporation which should be included therein for the purposes for which the Offering Statement, as supplemented or amended, is to be used or which is necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading (except in each case with respect to DTC and its book-entry only system [and information related to the Insurer or its Policy], as to which no view is expressed).

(viii) Except as described in the Offering Statement, there is no action, suit, proceeding, inquiry, or investigation, at law or in equity before or by any

court, governmental agency, or public board or body, pending or, to the best knowledge of the Corporation, threatened against the Corporation: (A) which may affect the existence of the Corporation or the titles or rights of their officers to their respective offices; (B) which may affect or which seeks to prohibit, restrain, or enjoin the sale, issuance, or delivery of the Certificates, or the collection or payment of the Basic Rent or assignment thereof to make payments on the Certificates and to make other payments under the Lease Agreement; (C) which in any way contests or affects the validity or enforceability of the Certificates, the Corporation Resolution, and the Corporation Certificate Documents or any of them; (D) which would cause the Interest Component of Basic Rent Payments to be included in the federal gross income of the holders of the Certificates; or (E) which contests in any way the completeness or accuracy of the Preliminary Offering Statement or the Offering Statement or which contests the powers of the Corporation or any authority or proceedings for the issuance, sale, or delivery of the Certificates, or the due execution and delivery of and the Corporation Certificate Documents or any of them; nor, to the best knowledge of the Corporation, is there any basis therefor, wherein an unfavorable decision, ruling, or finding would materially adversely affect the validity or enforceability of the Certificates, the Corporation Certificate Documents, or any of them.

(ix) The Corporation will furnish such information, execute such instruments, and take such other action not inconsistent with law in cooperation with the Underwriters as the Underwriters may reasonably request in order to qualify the Certificates for offer and sale under the "blue sky" or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriters may designate, and to determine the eligibility of the Certificates for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the initial distribution of the Certificates; provided that the Corporation shall not be obligated to pay any fee, qualify to do business, or to take any action that would subject it to general service of process in any state where it is not now so subject.

(x) If between the date of this Purchase Contract and the Date of the Closing any event shall occur of which the Corporation has knowledge which would or might cause the information contained in the Offering Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Corporation shall notify the Representative thereof, and if in the reasonable opinion of the Representative or the Corporation, such event requires the preparation and publication of a supplement or amendment to the Offering Statement, the Corporation shall

cooperate with the Underwriters in supplementing or amending the Offering Statement, in such form and manner and at such time or times as may be reasonably called for by the Underwriters.

6. The Closing. At 11:00 a.m., local time, July \_\_, 2019 (such date herein called the "Date of Closing"), or at such later time or on such later date as may be mutually agreed upon by the Board, the Corporation, the Trustee, and the Underwriters, the Board shall cause the Trustee, subject to the terms and conditions hereof, to deliver the Certificates to the Underwriters through the facilities of DTC in New York, New York in definitive form (bearing proper CUSIP numbers), duly executed and authenticated, together with the other documents hereinafter mentioned, and, subject to the terms and conditions hereof, the Underwriters shall accept such delivery and pay the purchase price of the Certificates as set forth in Paragraph 1 hereof in Federal funds to the order of the Trustee (such delivery of and payment for the Certificates herein called the "Closing"). The Closing shall occur at the offices of the Board in Milton, Florida, or such other place as shall have been mutually agreed upon by the Board, the Corporation, the Trustee, and the Underwriters. The Certificates shall be prepared and delivered as fully registered certificates in the definitive form as described in the Offering Statement and the Trust Agreement and will be made available for inspection and checking by the Underwriters at the office of the Trustee acting in its capacity as agent on behalf of The Depository Trust Company, New York, New York, or at such other place as shall be mutually agreed upon, not later than 10:00 a.m., New York time, on the business day prior to the Date of Closing. The parties hereby agree to use the FAST method of settlement on the Date of Closing. The Certificates shall be prepared and delivered as fully registered Certificates in the name of Cede & Co.

7. Closing Conditions. The Underwriters are entering into this Purchase Contract in reliance upon the representations and agreements of the Board and the Corporation contained herein, and in reliance upon the representations and agreements to be contained in the documents and instruments to be delivered at the Closing, and upon the performance of the covenants and agreements herein, as of the date hereof and as of the date of the Closing. Accordingly, the Underwriters' obligation under this Purchase Contract to purchase, to accept delivery of, and to pay for the Certificates shall be conditioned upon the performance of the covenants and agreements to be performed hereunder and under such other documents and instruments to be delivered at or prior to the Closing, and shall also be subject to the following additional conditions:

(a) The representations of the Board and the Corporation contained herein shall be true, complete, and correct on the date hereof and as of the Date of Closing, as if made on the Date of Closing, and a certificate to that effect shall be delivered to the Underwriters by the Board and the Corporation at Closing.

(b) At the date of execution hereof and at the Closing, the Resolution shall have been duly approved and adopted by the Board, shall be in full force and effect, and



shall not have been amended, modified, or supplemented, except to the extent to which the Underwriters shall have given their prior written consent and there shall have been taken in connection therewith and in connection with the issuance of the Certificates all such action as, in the opinion of Bryant Miller Olive P.A., Special Counsel, and Marchena and Graham, P.A., counsel for the Underwriters, shall be necessary and appropriate in connection with the transactions contemplated hereby.

(c) At the Closing, there will be no pending or threatened litigation or proceeding of any nature seeking to restrain or enjoin the issuance, sale, or delivery of the Certificates; or the collection or application of the Basic Rent Payments to make payments on the Certificates; or in any way contesting or affecting the validity or enforceability of the Board Certificate Documents or the Corporation Certificate Documents; or contesting in any way the proceedings of the Board, the Corporation, or the Trustee taken with respect thereto; or contesting in any way the due existence or powers of the Board, the Corporation, or the Trustee or the title of any of the members or officials of the Board, the Corporation, or the Trustee to their respective offices, and the Underwriters will receive the certificates of the Board, the Corporation, and the Trustee to the foregoing effect.

(d) Except as disclosed in the Offering Statement, there shall have been no material adverse change in the financial condition of the Board since June 30, 2018.

(e) At the Closing, the Underwriters shall receive all of the documents required by Section 4.01 of the Trust Agreement and, in addition, the following documents, each dated as of the Closing:

(i) The opinion of Bryant Miller Olive P.A., Special Counsel, dated the Date of Closing, in substantially the form attached to the Offering Statement as APPENDIX G;

(ii) An opinion of Special Counsel, addressed to the Underwriters and the Trustee, substantially to the effect that (A) the Underwriters and the Trustee may rely upon the opinion referred to in (i) above as though addressed to them; (B) prior to termination of the Lease Agreement, the Certificates are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Trust Agreement is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended; (C) the Board has authorized, executed, and delivered the Offering Statement and has duly authorized the distribution of the Offering Statement; and (D) with respect to information in the Offering Statement and based upon said firm's review of the Offering Statement, as Special Counsel, and without having undertaken to determine independently the accuracy or completeness of the contents of the Offering Statement, the information in the Offering Statement under the headings (unless otherwise noted, the term

"headings" includes all subheadings under a heading) entitled "INTRODUCTION" (excluding the information regarding projects, lease terms, and principal amount of outstanding certificates of participation with respect to other leases under the Master Lease, as to which no opinion need be expressed), "AUTHORIZATION," "THE SERIES 2019 CERTIFICATES," "SECURITY FOR THE SERIES 2019 CERTIFICATES," "THE MASTER LEASE PROGRAM," "THE SERIES 2019 LEASE AGREEMENT" (excluding any financial, statistical and demographic information and the information regarding DTC and its book-entry only system of registration [or information regarding \_\_\_\_\_] (the "Insurer") and its municipal bond insurance policy (the "Policy")) as to all of which no opinion need be expressed), and "TAX MATTERS" insofar as the same purport to describe the Certificates, the Board Certificate Documents, the Corporation Certificate Documents, the Constitution and the laws of the State of Florida or the United States, and to the extent indicated therein are accurate and fair statements or summaries of the information contained therein.

(iii) An opinion, dated the Date of Closing and addressed to the Underwriters (or a reliance letter addressed to the Underwriters), of Bryant Miller Olive P.A., Disclosure Counsel, substantially in the form attached as Appendix F hereto.

(iv) An opinion of Paul R. Green, Esquire, counsel to the Board, addressed to the Underwriters, the Board and the Trustee, substantially to the effect that: (A) the Board is a body corporate and politic and the governing body of the District, duly organized and existing under the Constitution and laws of the State of Florida, with full power and authority to adopt the Resolution and enter into this Purchase Contract and the Board Certificate Documents; (B) this Purchase Contract and the Board Certificate Documents have been duly authorized, executed, and delivered by the Board and, assuming the due authorization, execution, and delivery by the other parties thereto, constitute legal, valid, and binding agreements of the Board enforceable in accordance with their respective terms except to the extent that the enforceability of the rights and remedies set forth therein may be limited by bankruptcy, insolvency or other laws affecting creditors' or tenants' rights generally and the application of equitable principles; (C) the Board has authorized, executed, and delivered the Offering Statement and without having undertaken to determine independently the accuracy or completeness of the contents of the Offering Statement, such counsel has no reason to believe that the information in the Offering Statement under the heading "LITIGATION," and regarding the Board and the Board Certificate Documents contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they were

made, not misleading; (D) to the best of their knowledge, based upon the facts provided by the staff of the Board, the Board is not in material breach of or material default under any applicable constitutional provision, law, or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, material resolution, material agreement, or other material instrument to which the Board is a party or to which the Board or any of its property or assets is otherwise subject, and no event has occurred and is continuing that with the passage of time or the giving of notice, or both, would constitute a material default or material event of default under any such instrument; and the execution and delivery of this Purchase Contract and the Board Certificate Documents and the adoption of the Resolution and compliance with the provisions on the Board's part contained herein or therein, will not conflict with or constitute a material breach of or material default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement, or other instrument to which the Board is a party or to which the Board or any of its property or assets is otherwise subject, and any such execution, delivery, adoption, or compliance will not result in the creation or imposition of any lien, charge, or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Board under the terms of any such law, regulation, or instrument, except as expressly provided by this Purchase Contract or the Board Certificate Documents; (E) the Resolution has been duly and lawfully adopted by the Board, is in full force and effect, and has not been altered, amended, or repealed; (F), there is no action, suit, proceeding, inquiry, or investigation at law or in equity before or by any court, government agency, or public board or body, pending or to the best of their knowledge threatened against or affecting the Board, nor, to his knowledge, is there any basis for any such action, suit, proceeding, inquiry, or investigation, wherein an unfavorable decision, ruling or finding would have a materially adverse effect upon the transactions contemplated by the Offering Statement or the validity of this Purchase Contract or the Board Certificate Documents; and (G) all authorizations, consents, approvals, and reviews of governmental bodies or regulatory authorities then required for the Board's adoption, execution, or performance of its obligations under the Resolution, this Purchase Contract and the Board Certificate Documents have been obtained or effected.

(v) A certificate dated the Date of Closing, signed by the Chairperson of the Board and the Superintendent, or other appropriate officials satisfactory to the Underwriters, to the effect that, (A) to the best knowledge of each of them, the representations of the Board herein are true and correct in all material respects as of the Date of Closing; (B) to the best knowledge of each of them, the Board has performed all obligations to be performed and has satisfied all conditions on its part to be observed or satisfied under the Board Certificate

Documents, as of the Date of Closing; (C) except as disclosed in the Offering Statement, there is no litigation of which either of them have notice, and to the best knowledge of each of them no litigation is pending or threatened (1) to restrain or enjoin the issuance or delivery of any of the Certificates, (2) in any way contesting or affecting any authority for the issuance of the Certificates or the validity of the Certificates, the Resolution, or the Board Certificate Documents, (3) in any way contesting the corporate existence or powers of the Board, (4) to restrain or enjoin the collection of the Basic Rent Payments or the application thereof to make the payments on the Certificates, (5) which may result in any material adverse change in the business, properties, assets, and the financial condition of the Board taken as a whole, or (6) asserting that the Offering Statement contains any untrue statement of a material fact or omits any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (D) since June 30, 2018, no material adverse change has occurred in the financial position or results of operations of the Board except as set forth in or contemplated by the Offering Statement, and the Board has not incurred any material liabilities other than in the ordinary course of business or as set forth in or contemplated by the Offering Statement; and (E) the Offering Statement did not as of its date, and does not as of the Date of Closing contain any untrue statement of a material fact or omit to state any material fact required to be included therein or necessary in order to make the statements contained therein, in light of the circumstances in which they were made, not misleading (provided, however, that no opinion need be expressed with respect to the information contained therein relating to DTC, the book-entry system of registration [and information related to the Insurer or its Policy]).

(vi) An opinion dated the Date of Closing and addressed to the Underwriters, the Corporation, and the Trustee from Paul R. Green, Esquire, counsel to the Corporation, to the effect that: (A) the Corporation is a not-for-profit corporation duly incorporated and organized, validly existing and in good standing, under the laws of the State; (B) the Corporation Certificate Documents have each been duly authorized, executed, and delivered by the Corporation and, assuming the due authorization, execution, and delivery by the other parties thereto, each constitutes a legal, valid, and binding agreement of the Corporation enforceable in accordance with its terms except to the extent that the enforceability of the rights and remedies set forth therein may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights generally and the application of equitable principles; (C) the information in the Offering Statement as to legal matters relating to the Corporation is correct in all material respects and does not omit any statement which, in their opinion, should be included or referred to therein; (D) to the best of their knowledge, the Corporation is not in material breach of or material default under any applicable constitutional

provision, law, or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, material resolution, material agreement, or other material instrument to which the Corporation is a party or to which the Corporation or any of its property or assets is otherwise subject, and no event has occurred and is continuing that with the passage of time or the giving of notice, or both, would constitute a material default or material event of default under any such instrument; and, to the best of their knowledge, the execution, and delivery of the Corporation Certificate Documents and compliance with the provisions on the Corporation's part contained herein or therein, will not conflict with or constitute a material breach of or material default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement, or other instrument to which the Corporation is a party or to which the Corporation or any of its property or assets is otherwise subject, and, to the best of their knowledge, any such execution, delivery, adoption, or compliance will not result in the creation or imposition of any lien, charge, or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Corporation under the terms of any such law, regulation, or instrument, except as expressly provided by the Corporation Certificate Documents; (E) there is no action, suit, proceeding, inquiry, or investigation at law or in equity before or by any court, government agency, or public board or body, pending or to the best of their knowledge, threatened against or affecting the Corporation, nor is there any basis for any such action, suit, proceeding, inquiry, or investigation, wherein an unfavorable decision, ruling, or finding would have a materially adverse effect upon the transactions contemplated by the Offering Statement or the validity of the Certificates or the Certificate Documents; and (F) to the best of their knowledge, all authorizations, consents, approvals, and reviews of governmental bodies or regulatory authorities then required for the Corporation's adoption, execution, or performance of its obligations under the Corporation Certificate Documents have been obtained or effected.

(vii) A certificate, dated the Date of Closing, signed by the President and Secretary of the Corporation or other appropriate officials satisfactory to the Underwriters, to the effect that, to the best of their knowledge: (A) the representations of the Corporation herein are true and correct in all material respects as of the Date of Closing; (B) the Corporation has performed all obligations to be performed and has satisfied all conditions on its part to be observed or satisfied Corporation Certificate Documents as of the Date of Closing; (C) except as disclosed in the Offering Statement, there is no litigation of which they have notice, and to the best of their knowledge no litigation is pending or threatened (1) to restrain or enjoin the issuance or delivery of any of the Certificates, (2) in any way contesting or affecting any authority for the

issuance of the Certificates or the validity of the Certificates or the Corporation Certificate Documents, (3) in any way contesting the corporate existence or powers of the Corporation, (4) to restrain or enjoin the collection of the Basic Rent Payments, the Supplemental Rent Payments, or the application thereof to make Certificate Payments, or (5) asserting that the Offering Statement contains any untrue statement of a material fact relating to the Corporation or omits any material fact relating to the Corporation necessary to make the statements therein relating to the Corporation, in light of the circumstances under which they were made, not misleading; and (D) the Corporation has not incurred any material liabilities other than in the ordinary course of business or as set forth in or contemplated by the Offering Statement.

(viii) An opinion dated the Date of Closing and addressed to the Board and the Underwriters of counsel to the Trustee, in its capacity as Trustee, to the effect that: (A) the Trustee is duly authorized to execute and deliver the Certificates, the Series 2019 Supplemental Trust Agreement, and the Series 2019 Supplemental Assignment Agreement and to perform all of its obligations under the Trust Agreement, the Certificates and the Series 2019 Assignment; (B) the execution and delivery of the Certificates, the Series 2019 Supplemental Trust Agreement, and the Series 2019 Supplemental Assignment Agreement and performance by the Trustee of its obligations under the Trust Agreement, the Certificates, and the Series 2019 Assignment are within the trust powers of the Trustee; (C) the Certificates have been duly executed and delivered in accordance with the Trust Agreement; and (D) the Certificates, the Series 2019 Supplemental Trust Agreement, and the Series 2019 Supplemental Assignment Agreement have each been duly authorized, executed, and delivered by the Trustee, and assuming that the Certificates, the Trust Agreement, and the Series 2019 Assignment have been duly executed by each of the other parties thereto each constitutes the legal, valid, and binding obligation of the Trustee enforceable against it in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, moratorium, insolvency, or similar laws affecting the rights of creditors generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

(ix) A certificate dated the Date of Closing, signed by an authorized officer of the Trustee to the effect that: (A) the Trustee is a national banking association duly organized and in good standing under the laws of the United States of America, and is authorized to conduct its business in the State of Florida; (B) the Trustee has full corporate power, authority, and right to execute and deliver the Certificates, the Series 2019 Supplemental Trust Agreement, and the Series 2019 Supplemental Assignment Agreement, and perform its obligations under the Trust Agreement, the Series 2019 Assignment, and the Certificates and has taken any and all actions and has obtained any and all

consents and approvals required in connection with the foregoing; (C) the execution and delivery of the Certificates, the Series 2019 Supplemental Trust Agreement, and the Series 2019 Supplemental Assignment Agreement, and all actions necessary or appropriate to carry out and consummate the transactions contemplated hereby and thereby, are within the trust powers of the Trustee; (D) the execution and delivery of the Certificates, the Series 2019 Supplemental Trust Agreement, and the Series 2019 Supplemental Assignment Agreement and the performance under each of the foregoing will not conflict with, violate, or result in a breach of or constitute a default under the Trustee's charter, bylaws, or articles of association or a material default under any indenture, agreement, or other instrument by which the Trustee or any of its properties may be bound or, to the knowledge of the Trustee, any material constitutional or statutory provision or order, rule, regulation, decree, or ordinance of any federal or state court, government or governmental body having jurisdiction over the Trustee or any of its property and by which the Trustee or any of its property may be bound; (E) there is no litigation, proceeding, or investigation relating to the Trustee before or by any court or public board or body pending or, to the knowledge of the Trustee, threatened against or affecting the Trustee, challenging the validity of, or in which an unfavorable decision, ruling, or finding would materially adversely affect the Certificates, the Trust Agreement, and the Series 2019 Assignment; (F) the Certificates have been duly authenticated, executed, and delivered in accordance with the Trust Agreement; and (G) the Trustee has performed all obligations to be performed and has satisfied all conditions on its part to be observed or satisfied as a precondition to the effectiveness of the Series 2019 Supplemental Trust Agreement, the Series 2019 Supplemental Assignment Agreement, and the Certificates, at or prior to the Closing.

(x) Evidence satisfactory to the Underwriters that S&P Global Ratings ("S&P"), has issued a rating of "\_\_\_\_" (\_\_\_\_ outlook), on the Certificates as of the Date of Closing, [which rating shall be based on the issuance of the Policy, and S&P has issued a rating of "\_\_\_\_" (\_\_\_\_ outlook), without regard to the issuance of the Policy] on the Certificates as of the Date of Closing.

(xi) Copies of the Board Certificate Documents and the Corporation Certificate Documents, fully executed by the respective parties hereto.

(xii) An arbitrage and tax certificate of the Board, in form satisfactory to Special Counsel, executed by such officials of the Board as shall be satisfactory to the Underwriters.

(xiii) Evidence that a Form 8038-G relating to the Certificates has been executed by the Board and will be filed with the Internal Revenue Service (the "IRS") within the applicable time limit.

(xiv) A copy of the Blue Sky Survey with respect to the Certificates.

(xv) A copy of the Board's executed Blanket Letter of Representation to The Depository Trust Company.

(xvi) An opinion of Marchena and Graham, P.A., counsel to the Underwriters, dated the Closing Date and addressed to the Underwriters, in form and substance acceptable to the Underwriters.

[(xvii) A true and correct copy of the Policy issued by the Insurer related to the Certificates in a form acceptable to the Representative.

(xviii) A certificate of an officer of the Insurer or opinion of Counsel to the Insurer, dated the Closing Date, addressed to the Representative and the Board, in form and substance satisfactory to the Representative and the Board, substantially to the effect that (A) the Insurer is duly qualified to do business in the State of Florida, (B) the Insurer has full corporate power and authority to execute and deliver the Policy and the Policy has been duly authorized, executed and delivered by the Insurer and constitutes a legal, valid and binding obligation the Insurer enforceable in accordance with its terms, (C) the statements contained in the Offering Statement under the heading, "[MUNICIPAL BOND INSURANCE]" insofar as such statements constitute summaries of the matters referred to therein, accurately reflect and fairly present the information purported to be shown and, insofar as such statements purport to describe the Insurer, fairly and accurately describe the Insurer, (D) the Insurer has not been in default after December 31, 1975, as to principal or interest with respect to any obligations insured by the Insurer, (E) proceedings legally required for the issuance of the Policy have been taken by the Insurer and licenses, orders, consents or other authorizations or approvals of any governmental boards or bodies legally required for the enforceability of the Policy have been obtained, and (F) proceedings not taken and any licenses, authorizations or approvals not obtained are not material to the enforceability of the Policy.]

(xix) Such additional legal opinions, certificates, instruments, approvals, and other documents as the Underwriters may reasonably require to evidence the truth and accuracy, as of the date hereof and as of the Date of Closing, of the representations contained herein and of the statements and information contained in the Offering Statement and the due performance or



satisfaction on or prior to the Date of Closing of all the agreements then to be performed and conditions then to be satisfied by the Board or the Trustee.

All of the evidence, opinions, letters, certificates, instruments, and other documents mentioned above or elsewhere in this Purchase Contract shall be deemed to be in compliance with the provisions hereof if, but only if, they are in the form specified herein or are otherwise in form and substance satisfactory to the Underwriters and their counsel. Acceptance of the delivery of the Certificates by the Underwriters shall be deemed approval of such form and substance by the Underwriters and their counsel.

If the conditions to the obligations of the Underwriters to purchase, to accept delivery of, and to pay for the Certificates contained in this Purchase Contract are not satisfied, or if the obligations of the Underwriters to purchase, to accept delivery of, and to pay for the Certificates shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and neither the Underwriters nor the Board, the Corporation, or the Trustee shall be under any further obligation hereunder, except that the respective obligations of the Board and the Underwriters set forth in Paragraph 9 hereof shall continue in full force and effect and the Good Faith Check specified in Paragraph 4 hereof shall be returned to the Representative.

8. Termination. The Underwriters shall have the right to cancel the agreement contained herein to purchase, to accept delivery of, and to pay for the Certificates by notifying the Board and the Corporation in writing of their intention to do so if:

(a) between the date hereof and the Closing, legislation shall have been enacted by the Congress of the United States, or officially recommended to the Congress for passage by the President of the United States, or favorably reported for passage to either House of Congress by any Committee of such House, or passed by either House of Congress, or a decision shall have been rendered by a court of the United States or the United States Tax Court, or a ruling shall have been made or a regulation shall have been made by the Treasury Department of the United States or the Internal Revenue Service, with respect to the federal taxation of interest received or other income of the general character expected to be derived under the Lease Agreement from the Board or upon interest received on securities of the general character of the Certificates, which, in the reasonable opinion of the Representative has, or will have, the effect of making such interest subject to inclusion in gross income for purposes of federal income taxation, or

(b) between the date hereof and the Closing, legislation shall have been enacted by the Congress of the United States or shall have been favorably reported out of committee or be pending in committee, or shall have been officially recommended to the Congress for passage by the President of the United States, or a decision by a court of the United States shall be rendered, or a ruling, regulation, proposed regulation, or statement by or on behalf of the SEC or other governmental agency having jurisdiction

of the subject matter shall be made, to the effect that any obligations of the general character of the Certificates or the Lease Agreement are not exempt from the registration, qualification, or other requirements of the Securities Act or the Trust Indenture Act or otherwise, or would be in violation of any provision of the federal securities laws, or

(c) an event described in paragraph (a)(x) of Section 5 hereof shall have occurred which requires an amendment or supplement to the Offering Statement and which, in the reasonable opinion of the Representative, and in either such event, the Board refuses to permit the Offering Statement to be supplemented or to supply such statement or information, or the effect of the Offering Statement as so supplemented is to materially adversely affect the market price or marketability of the Certificates or the ability of the Underwriters to enforce contracts for the sale of the Certificates;

(d) in the reasonable opinion of the Representative, payment for and delivery of the Certificates is rendered impracticable or inadvisable because (i) a general banking moratorium shall have been established by federal, New York or State authorities, or (ii) a material disruption in securities settlement, payment, or clearance services affecting the Certificates shall have occurred, or (iii) a general suspension of trading on the New York Stock Exchange or other major exchange shall be in force, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on any such exchange, whether by virtue of determination by that exchange or by order of the SEC or any other governmental authority having jurisdiction; or (iv) any new restriction on transactions in securities materially affecting the market for securities (including the imposition of any limitation on interest rates) or the extension of credit by, or a charge to the net capital requirements of, underwriters shall have been established by the New York Stock Exchange, the SEC, any other federal or State agency or the Congress of the United States, or by Executive Order; or

(e) an order, decree, or injunction of any court of competent jurisdiction, or any order, ruling, regulation, or administrative proceeding by any governmental body or board, shall have been issued or commenced, or any legislation enacted, with the purpose or effect of prohibiting the issuance, offering, or sale of the Certificates as contemplated hereby or by the Offering Statement or prohibiting the adoption or performance of the Board Certificate Documents or Corporation Certificate Documents, or

(f) the President of the United States, the Office of Management and Budget, the Department of Treasury, the Internal Revenue Service, or any other governmental body, department, agency, or commission of the United States or the State shall take or propose to take any action or implement or propose regulations, rules, or legislation which, in the reasonable opinion of the Representative, materially adversely affects the

market price of the Certificates or causes any material information in the Offering Statement, in light of the circumstances under which it appears, to be omitted or misleading in any material respect, or

(g) any executive order shall be announced, or any legislation, ordinance, rule, or regulation shall be proposed by or introduced in, or be enacted by any governmental body, department, agency, or commission of the United States or the State of New York, having jurisdiction over the subject matter, or a decision by any court of competent jurisdiction within the United States or within the State of New York shall be rendered which, in the reasonable opinion of the Representative, materially adversely affects the market price of the Certificates or causes any information in the Offering Statement to be misleading in any material respect, or

(h) the marketability of the Certificates or the market price thereof, in the reasonable opinion of the Representative, has been materially and adversely affected by disruptive events, occurrences, or conditions in the securities or debt markets or, except as disclosed in or contemplated by the Offering Statement, any material adverse change in the financial condition of the Board or the District shall have occurred; or

(i) there shall have occurred (i) an outbreak or escalation of hostilities or the declaration by the United States of a national emergency or war or (ii) any other calamity or crisis in the financial markets of the United States or elsewhere, or the result of which, in the reasonable opinion of the Representative, materially adversely affects the market price of the Certificates; or

(j) a decision by a court of the United States shall be rendered, or a stop order, release, regulation, or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the issuance, offering, or sale of the Certificates, including the underlying obligations as contemplated by this Purchase Contract or by the Offering Statement, or any document relating to the issuance, offering, or sale of the Certificates, is or would be in violation of any provision of the federal securities laws at the Date of Closing, including the Securities Act, the Exchange Act and the Trust Indenture Act.

(k) a downgrading or suspension of any rating (without regard to credit enhancement) by Moody's Investors Service, S&P, or Fitch Ratings of any certificates of participation issued by the Board or the Corporation.

9. Expenses.

(a) Except as provided in (b) below, the Underwriters shall be under no obligation to pay, and the Board shall pay, such expenses incident to the issuance of the Certificates and the performance of the Board's obligations hereunder, including, but not

limited to the following expenses: (i) the cost of preparing and printing or other reproduction of the Board Certificate Documents and the Corporation Certificate Documents; (ii) the cost of preparing and printing the Certificates, the Preliminary Offering Statement, and the Offering Statement; (iii) the fees and disbursements of the Trustee; (iv) the fees and disbursements of Special Counsel, Disclosure Counsel, counsel to the Board, and counsel to the Corporation; (v) the fees and disbursements of the Financial Advisor to the Board; (vi) the fees relating to the ratings on the Certificates; (vii) the fees and disbursements of any experts, accountants, consultants, or advisors retained by the Board or the Corporation; and (viii) expenses, if any, incurred by the Underwriters on behalf of the Board's and Corporation's employees in connection with this Purchase Contract, including but not limited to, meals, transportation, and lodging of those employees and representatives.

(b) The Underwriters shall pay (which may be included as an expense component of the Underwriters' discount): (a) all advertising expenses in connection with the public offering of the Certificates; (b) the cost of preparing, printing and delivery of any agreement among the Underwriters; and (c) all other expenses incurred by them or any of them in connection with the public offering of the Certificates, including the fees of Digital Assurance Certification, L.L.C. for a continuing disclosure compliance review, if any, and disbursements of counsel retained by them, including the costs of all "blue sky" memoranda and related filing fees. In the event that either party shall have paid obligations of the other as set forth in this Section 9, adjustment shall be made at the time of the Closing.

10. Parties in Interest.

(a) This Purchase Contract is made solely for the benefit of the Board, the Corporation, and the Underwriters (including the successors or assigns of the Underwriters) and no other person shall acquire or have any right hereunder or by virtue hereof. All of the representations and agreements of the Board contained in this Purchase Contract shall remain operative and in full force and effect, regardless of: (i) any investigations made by or on behalf of the Underwriters; (ii) delivery of and payment for the Certificates pursuant to this Purchase Contract; or (iii) any termination of this Purchase Contract, but only to the extent provided by Section 8 hereof.

(b) No covenant, stipulation, obligation, or agreement contained in this Purchase Contract shall be deemed to be a covenant, stipulation, obligation, or agreement of any member, agent or employee of the Board or the Corporation in his or her individual capacity and neither the members of the Board or the Corporation nor any official executing this Purchase Contract shall be liable personally under this Purchase Contract or be subject to any personal liability or accountability by reason of the execution hereof.

11. Use of Documents. The Board and the Corporation hereby authorize the Underwriters to use, in connection with the public offering and sale of the Certificates, this Purchase Contract, the Preliminary Offering Statement, the Offering Statement, the Board Certificate Documents, and the Corporation Certificate Documents, as applicable, and the information contained herein and therein.

12. Notices. Any notice or other communication to be given to the Board or the Corporation under this Purchase Contract may be given by delivering the same in writing to the following addresses:

BOARD:

The School Board of Santa Rosa County, Florida  
6032 U.S. Highway 90  
Milton, Florida 32570

CORPORATION:

Santa Rosa School Board Leasing Corporation  
6032 U.S. Highway 90  
Milton, Florida 32570

and any such notice or other communication to be given to the Representative may be given by delivering the same in writing to:

REPRESENTATIVE:

BofA Securities, Inc.  
250 S. Park Avenue, Suite 400  
Winter Park, FL 32789  
Tel: (321) 527-7837  
Attention: Matthew J. Williams

13. Effectiveness. This Purchase Contract shall become effective upon the execution of the acceptance hereof on behalf of the Board and the Corporation by their duly authorized officers, and shall be valid and enforceable at the time of such acceptance.

14. Counterparts. This Purchase Contract may be executed in several counterparts, which together shall constitute one and the same instrument.

15. Florida Law Governs. The validity, interpretation, and performance of this Purchase Contract shall be governed by the laws of the State.

16. Entire Agreement. This Purchase Contract when accepted by the Board and the Corporation in writing as heretofore specified shall constitute the entire agreement between us.

17. Headings. The headings of the Sections of this Purchase Contract are inserted for convenience only and shall not be deemed to be part hereof.

[Remainder of Page Intentionally Left Blank – Signature Page Follow]

**[SIGNATURE PAGE FOR CERTIFICATE PURCHASE CONTRACT FOR CERTIFICATES  
OF PARTICIPATION, SERIES 2019]**

Very truly yours,

BofA SECURITIES, INC., as Representative of the  
Underwriters

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

Name: Matthew J. Williams

Title: Director

**[SIGNATURE PAGE FOR CERTIFICATE PURCHASE CONTRACT FOR CERTIFICATES  
OF PARTICIPATION, SERIES 2019]**

Accepted as of the date hereof:

THE SCHOOL BOARD OF SANTA ROSA  
COUNTY, FLORIDA

By: \_\_\_\_\_  
Name: Carol Boston  
Its: Chairperson

Attest:

By: \_\_\_\_\_  
Name: Tim Wyrosdick  
Its: Secretary/Superintendent of Schools

SANTA ROSA SCHOOL BOARD  
LEASING CORPORATION

By: \_\_\_\_\_  
Name: Carol Boston  
Its: President

Attest:

By: \_\_\_\_\_  
Name: Tim Wyrosdick  
Its: Secretary



**APPENDIX A**

**MATURITIES, PRINCIPAL AMOUNTS,  
INTEREST RATES, YIELDS, AND PRICES**

\$ \_\_\_\_\_

**CERTIFICATES OF PARTICIPATION, SERIES 2019**  
**Evidencing an Undivided Proportionate Interest of Owners thereof**  
**in Basic Rent Payments to be made by**  
**The School Board of Santa Rosa County, Florida, as Lessee**  
**pursuant to a Master Lease-Purchase Agreement with the**  
**Santa Rosa School Board Leasing Corporation, as Lessor**

<u>Maturity</u> <u>(February 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>
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\$ \_\_\_\_\_ – \_\_\_\_ % Term Certificates due February 1, \_\_\_\_ Price \_\_\_\_ Yield \_\_\_\_ %  
Initial CUSIP Number \_\_\_\_\_

\_\_\_\_\_  
[\* Callable Premium Certificates. Priced to first optional prepayment date of February 1, 20\_\_.]

## APPENDIX B

\$ \_\_\_\_\_

**CERTIFICATES OF PARTICIPATION, SERIES 2019**  
**Evidencing an Undivided Proportionate Interest of Owners thereof**  
**in Basic Rent Payments to be made by**  
**The School Board of Santa Rosa County, Florida, as Lessee**  
**pursuant to a Master Lease-Purchase Agreement with the**  
**Santa Rosa School Board Leasing Corporation, as Lessor**

### **PREPAYMENT PROVISIONS**

Optional Prepayment. The Certificates maturing prior to February 1, 20\_\_, are not subject to optional prepayment prior to maturity. The Certificates maturing on or after February 1, 20\_\_, may be prepaid, from prepayments of Basic Rent made by the School Board pursuant to the Lease Agreement, in whole or in part on \_\_\_\_\_ 1, 20\_\_, or any date thereafter, and if in part, 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 Certificates to be prepaid, plus accrued and unpaid interest thereon..

No Extraordinary Prepayment in the Event of Damage, Destruction, or Condemnation. The Certificates shall not be subject to extraordinary prepayment from Net Proceeds of insurance or condemnation, and any amounts received therefrom shall be applied as provided in the Series 2019 Lease Agreement, as more particularly described in the Series 2019 Supplemental Trust Agreement.

Mandatory Sinking Fund Prepayment. The Series 2019 Certificates maturing on February 1, 20\_\_, shall be subject to mandatory sinking fund prepayment on February 1, 20\_\_, and on each February 1 thereafter in the Amortization Installments and in the years set forth below. The Trustee shall select such Series 2019 Certificates by lot in such manner as it deems appropriate in its sole discretion.

<u>Year</u>	<u>Amortization Installment</u>
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\* Maturity

## APPENDIX C

### DISCLOSURE STATEMENT

The undersigned, BofA Securities, Inc. (the "Representative"), on behalf of itself and Raymond James & Associates, Inc. (collectively, the "Underwriters"), hereby provides the following information in connection with The School Board of Santa Rosa County, Florida (the "Board"), and the sale and delivery of the \$[\_\_\_\_\_] Certificates of Participation, Series 2019 Evidencing an Undivided Proportionate Interest of Owners thereof in Basic Rent Payments to be made by The School Board of Santa Rosa County, Florida, as Lessee pursuant to a Master Lease-Purchase Agreement with the Santa Rosa School Board Leasing Corporation, as Lessor (the "Certificates"):

1. Set forth is an itemized list of the nature and estimated amounts of expenses to be incurred by the Underwriters in connection with the issuance of the Certificates:

<u>Underwriters Expenses</u>	<u>Per \$1,000</u>	<u>Total</u>
Underwriter's Counsel		
Dalcomp		
Dayloan		
CUSIP		
DTC Fee		
Miscellaneous		
Total		<hr/>

2. 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 Certificates:

NONE

3. The amount of the underwriting discount expected to be realized by the Underwriters with respect to the Certificates is \$[\_\_\_\_\_] (\$[\_\_\_\_\_] per \$1,000), which includes the following:

	<u>Per \$1,000</u>	<u>Total</u>
Average Takedown		
Underwriters' Expenses		
Total		<hr/>

4. [No management fee is being received.]

5. Set forth below are all fees, bonuses, and other compensation to be paid by the Underwriters in connection with the Certificate issue to any person not regularly employed or retained by them.

NONE

6. The names and addresses of the Underwriters are as follows:

BofA Securities, Inc.  
250 S. Park Avenue, Suite 400  
Winter Park, FL 32789

Raymond James & Company, Incorporated  
880 Carillon Parkway  
St. Petersburg, Florida 33716

7. We understand that you do not require additional disclosure information pursuant to Section 218.385(6), Florida Statutes, as amended.

IN WITNESS WHEREOF, the undersigned has executed this Disclosure Statement this \_\_\_\_\_ day of July, 2019.

BofA SECURITIES, INC., as Representative of the  
Underwriters

By: \_\_\_\_\_  
Name: Matthew J. Williams  
Title: Director

## APPENDIX D

### TRUTH-IN-BONDING STATEMENT

July \_\_, 2019

The School Board of Santa Rosa County, Florida  
Milton, Florida

Santa Rosa School Board Leasing Corporation  
Milton, Florida

Re: Certificates of Participation, Series 2019 Evidencing an Undivided Proportionate Interest of Owners thereof in Basic Rent Payments to be made by The School Board of Santa Rosa County, Florida, as Lessee pursuant to a Master Lease-Purchase Agreement with the Santa Rosa School Board Leasing Corporation, as Lessor (the "Certificates")

Ladies and Gentlemen:

In connection with the proposed issuance of the Certificates referenced-above, BofA Securities, Inc. (the "Representative"), on behalf of itself and Raymond James & Associates, Inc. (collectively, the "Underwriters"), is underwriting a public offering of the Certificates pursuant to the Certificate Purchase Contract, dated July \_\_, 2019, between the Representative on behalf of itself and the other Underwriters, the Corporation, and the Board (the "Purchase Contract").

The purpose of this letter is to furnish, pursuant to the provisions of Section 218.385(2) and (3), Florida Statutes, as amended, the truth-in-bonding statement required thereby, as follows:

1. The Board is proposing to issue \$\_\_\_\_\_ of the Certificates for the purpose of (i) financing or reimbursing the Board for the costs of acquisition, construction, and installation of the Series 2019 Project, and (ii) paying the costs of issuing the Certificates. The Certificates are expected to be repaid over a period of approximately \_\_\_\_ years. At a true interest cost rate of \_\_\_\_\_% total interest paid over the life of the debt or obligation will be approximately \$\_\_\_\_\_.

2. The source of repayment for the Certificates is legally available revenues specifically appropriated by the Board for such purpose. Based solely upon the assumptions set forth in 1 above, assuming annual appropriation by the Board, the issuance of the Certificates will result in an average of \$\_\_\_\_\_ of the Board's legally available revenues not being available to finance other services of the Board each year for \_\_\_\_ years.

The foregoing is provided for information purposes only and shall not affect or control the actual terms and conditions of the Certificates.

BofA SECURITIES, INC., as Representative of the  
Underwriters

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

Name: Matthew J. Williams

Title: Director

## APPENDIX E

\$ \_\_\_\_\_

**CERTIFICATES OF PARTICIPATION, SERIES 2019**  
**Evidencing an Undivided Proportionate Interest of Owners thereof**  
**in Basic Rent Payments to be made by**  
**The School Board of Santa Rosa County, Florida, as Lessee**  
**pursuant to a Master Lease-Purchase Agreement with the**  
**Santa Rosa School Board Leasing Corporation, as Lessor**

### **ISSUE PRICE CERTIFICATE OF THE UNDERWRITER**

The undersigned, on behalf of BofA Securities, Inc. (the "Representative"), on behalf of itself and Raymond James & Associates, Inc. (the "Underwriting Group"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Certificates").

1. ***Sale of the Certificates.*** As of the date of this certificate, for each Maturity of the Certificates, the first price at which at least 10% of such Maturity of the Certificates was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price-Maturities.***

(a) The Underwriting Group offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this Certificate as Schedule B.

(b) As set forth in the Certificate Purchase Contract for the Certificates, the Representative has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the unsold Certificates of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) unsold Certificates of the Hold-the-Offering-Price Maturities shall be retained by the Representative and not allocated to any other Underwriter. Pursuant to such agreement, the Representative has not offered or sold any unsold Certificates of any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Certificates during the Holding Period.

3. ***Defined Terms.***

(a) *General Rule Maturities* means those Maturities of the Certificates listed in Schedule A hereto as the "General Rule Maturities."

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Certificates listed in Schedule A hereto as the "Hold-the-Offering-Price Maturities."

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which the Underwriters have sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Issuer* means The School Board of Hillsborough County, Florida.

(e) *Maturity* means Certificates with the same credit and payment terms. Certificates with different maturity dates, or Certificates with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Certificates. The Sale Date of the Certificates is July \_\_, 2019.

(h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Certificates to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Certificates to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Certificates to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriting Group's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Certificates, and by Special Counsel in connection with rendering its opinion that the interest on the Certificates is excluded from gross income for federal income tax purposes,



the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the Issuer from time to time relating to the Certificates. The representations set forth herein are not necessarily based on personal knowledge of the undersigned and, in certain cases, the undersigned is relying on representations made by the other members of the Underwriting Group.

BofA SECURITIES, INC., as Representative of the  
Underwriters

By: \_\_\_\_\_  
Name: Matthew J. Williams  
Title: Director

**SCHEDULE A**

**MATURITIES, PRINCIPAL AMOUNTS,  
INTEREST RATES, YIELDS, AND PRICES**

<b>Maturity (February 1)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Yield</b>	<b>Price</b>
----------------------------------	-----------------------------	--------------------------	--------------	--------------

\$\_\_\_\_\_ – \_\_\_\_% Term Certificates due February 1, \_\_\_\_\_ Price \_\_\_\_ Yield \_\_\_\_%  
Initial CUSIP Number \_\_\_\_\_

\_\_\_\_\_  
\* Callable Premium Certificates. Priced to first optional prepayment date of February 1, 20\_\_.

**APPENDIX F**

**Form of Disclosure Counsel Opinion**

**EXHIBIT E**

**FORM OF PRELIMINARY OFFERING STATEMENT**

[DAC LOGO]

**NEW ISSUE - BOOK-ENTRY-ONLY**

**See "RATINGS" herein for ratings**

*In the opinion of Special Counsel, assuming continuing compliance by the School Board and Corporation with certain covenants in the Trust Agreement and the Series 2019 Lease Agreement (each as defined herein), under existing statutes, regulations, rulings, and judicial decisions, the Interest Component of the Basic Rent Payments of the Series 2019 Certificates will be excluded from gross income for federal income tax purposes of the Owners thereof and will not be an item of tax preference for purposes of the federal alternative minimum tax. No opinion is expressed with respect to the federal income tax consequences of any payments received with respect to the Series 2019 Certificates following termination of the Series 2019 Lease Agreement as a result of an Event of Non-Appropriation or an Event of Default thereunder. See "TAX MATTERS" herein for a description of other tax consequences to Owners of the Series 2019 Certificates.*

\$\_\_\_\_\_\*

**CERTIFICATES OF PARTICIPATION, SERIES 2019  
Evidencing an Undivided Proportionate Interest of Owners thereof  
in Basic Rent Payments to be made by The School Board of Santa Rosa County, Florida, as Lessee  
pursuant to a Master Lease-Purchase Agreement with the  
Santa Rosa School Board Leasing Corporation, as Lessor**

**Dated: Date of Delivery**

**Due: February 1, as shown on the inside cover**

The Certificates of Participation, Series 2019 referenced above (the "Series 2019 Certificates") evidence an undivided proportionate interest in Basic Rent Payments (as defined herein) to be made by The School Board of Santa Rosa County, Florida (the "School Board") under a Master Lease-Purchase Agreement, dated as of June 1, 1992, as amended and supplemented from time to time (the "Master Lease"), with the Santa Rosa School Board Leasing Corporation (the "Corporation"), as assignee of the Florida School Boards Association, Inc. (the "Association"), as particularly amended and supplemented by Lease Schedule No. 2019, dated as of July 1, 2019 (together with the Master Lease, the "Series 2019 Lease Agreement"). The Series 2019 Certificates are being issued to (i) finance a portion of the cost of the acquisition, construction, installation and/or equipping of the Series 2019 Project (as defined herein), and (ii) pay costs associated with the issuance of the Series 2019 Certificates, including a municipal bond insurance policy premium, if any. When issued, the Series 2019 Certificates will initially be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York ("DTC"). Purchasers of the Series 2019 Certificates (the "Beneficial Owners") will not receive physical delivery of the Series 2019 Certificates and ownership by the Beneficial Owners of the Series 2019 Certificates will only be evidenced by the book-entry procedures of DTC. As long as Cede & Co. (or other approved nominee) is the registered owner as nominee of DTC, principal and interest payments will be made directly to such registered owner, which will, in turn, remit such payments to the DTC Participants for subsequent disbursement to the Beneficial Owners. Individuals may purchase beneficial interest in the Series 2019 Certificates in the amount of \$5,000 each or integral multiples thereof.

Certain of the Series 2019 Certificates are subject to optional prepayment prior to their stated maturities and may be subject to mandatory sinking fund prepayment, each as set forth herein. See "THE SERIES 2019 CERTIFICATES – Prepayment" herein. The Series 2019 Certificates are not subject to extraordinary mandatory prepayment as set forth herein. See "THE SERIES 2019 CERTIFICATES – Prepayment – No Extraordinary Prepayment in the Event of Damage, Destruction, or Condemnation" herein.

THE SCHOOL BOARD IS NOT LEGALLY REQUIRED TO APPROPRIATE MONIES TO MAKE BASIC RENT PAYMENTS. THE BASIC RENT PAYMENTS AND, CONSEQUENTLY, THE CERTIFICATE PAYMENTS OF PRINCIPAL AND INTEREST ARE PAYABLE SOLELY FROM THE SCHOOL BOARD'S AVAILABLE REVENUES AND

NEITHER THE SCHOOL BOARD, THE STATE OF FLORIDA (THE "STATE"), NOR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF SHALL BE OBLIGATED TO PAY ANY SUMS DUE UNDER THE SERIES 2019 LEASE AGREEMENT EXCEPT FROM AVAILABLE REVENUES APPROPRIATED FOR SUCH PURPOSE. THE BASIC RENT PAYMENTS ARE SUBJECT TO ANNUAL APPROPRIATION BY THE SCHOOL BOARD. THE CERTIFICATE PAYMENTS OF PRINCIPAL AND INTEREST AND THE PAYMENTS DUE FROM THE SCHOOL BOARD UNDER THE SERIES 2019 LEASE AGREEMENT AND THE CONTRACTUAL OBLIGATIONS OF THE SCHOOL BOARD UNDER THE SERIES 2019 LEASE AGREEMENT DO NOT CONSTITUTE A GENERAL OBLIGATION OR A PLEDGE OF THE FAITH AND CREDIT OF THE SCHOOL BOARD, THE STATE, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. THE ISSUANCE OF THE SERIES 2019 CERTIFICATES WILL NOT DIRECTLY OR INDIRECTLY OBLIGATE THE SCHOOL BOARD, THE STATE, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF TO LEVY OR TO PLEDGE ANY FORM OF AD VALOREM TAXATION OF THE SCHOOL BOARD OR ANY OTHER GOVERNMENTAL ENTITY. SEE "RISK FACTORS" HEREIN.

SEE THE INSIDE COVER FOR CERTAIN ADDITIONAL INFORMATION RELATIVE TO THE SERIES 2019 LEASE AGREEMENT, THE SERIES 2019 CERTIFICATES AND THE MATURITY SCHEDULE.

[The scheduled payment of the Principal Component and the Interest Component of Basic Rent Payments represented by the Series 2019 Certificates, when due may be guaranteed under a municipal bond insurance policy (the "Policy") to be issued concurrently with the delivery of the Series 2019 Certificates by [ ] (the "Insurer"). For a discussion of the terms and provisions of the Policy, including the limitation thereof, see "MUNICIPAL BOND INSURANCE POLICY OPTION" herein. **The School Board will make the determination of whether to purchase the Policy to insure all or a portion of the Series 2019 Certificates, if any, at the time the Series 2019 Certificates are priced.**

[LOGO]

This cover page contains certain information for quick reference only. It is not and is not intended to be, a summary of the transaction. Investors must read the entire Offering Statement to obtain information essential to the making of an informed investment decision.

*The Series 2019 Certificates are offered when, as and if delivered by the Underwriters, subject to an approving legal opinion of Bryant Miller Olive P.A., Tallahassee, Florida, Special Counsel, and certain other conditions. Bryant Miller Olive P.A., Tallahassee, Florida is acting as Disclosure Counsel to the School Board. Certain legal matters will be passed upon for the School Board and for the Corporation by its Counsel, Paul R. Green, Esquire, Milton, Florida. PFM Financial Advisors LLC, Orlando, Florida will act as Financial Advisor to the School Board. It is expected that the Series 2019 Certificates in book-entry-only form will be available through the facilities of DTC for delivery in New York, New York on or about June \_\_, 2019.*

**BofA Merrill Lynch**

**Raymond James**

Dated: \_\_\_\_\_, 2019

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\* Preliminary, subject to change.

**RED HERRING LANGUAGE:**

This Preliminary Offering Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Offering Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Series 2019 Certificates in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or exemption under the securities laws of such jurisdiction. The School Board has deemed this Preliminary Offering Statement "final," except for certain permitted omissions, within the contemplation of Rule 15c2-12 promulgated by the Securities and Exchange Commission.

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

\$ \_\_\_\_\_ \*

**CERTIFICATES OF PARTICIPATION, SERIES 2019**

\$ \_\_\_\_\_ Serial Series 2019 Certificates

Maturity (February 1)*	<u>Amount*</u>	Interest <u>Rate</u>	<u>Yield</u>	<u>Prices</u>	Initial CUSIP <u>Numbers**</u>
---------------------------	----------------	-------------------------	--------------	---------------	--------------------------------------

\$ \_\_\_\_\_ \* – \_\_\_\_\_ % Term Certificates due February 1, \_\_\_\_\_ \* Price \_\_\_\_\_ Yield \_\_\_\_\_ %  
Initial CUSIP Number \_\_\_\_\_ \*\*

---

\* Preliminary, subject to change.

\*\* The School Board is not responsible for the use of the CUSIP Numbers referenced herein nor is any representation made by the School Board as to their correctness. The CUSIP Numbers provided herein are included solely for the convenience of the readers of this Offering Statement.



## ADDITIONAL INFORMATION

The Series 2019 Certificates are being issued by The Bank of New York Mellon Trust Company, N.A., as successor Trustee (the "Trustee"), as fully registered certificates in denominations of \$5,000 or any integral multiple thereof, pursuant to the provisions of a Trust Agreement, dated as of June 1, 1992, as amended and supplemented (the "Master Trust Agreement"), and as particularly amended and supplemented by the Series 2019 Supplemental Trust Agreement, dated as of July 1, 2019 (the "Series 2019 Supplemental Trust Agreement" and, together with the Master Trust Agreement, the "Trust Agreement"), each by and among the School Board, the Corporation, as successor in interest to the Association, and the Trustee. The Interest Component of Basic Rent Payments represented by the Series 2019 Certificates is payable on February 1 and August 1 of each year, commencing February 1, 2020 (each a "Payment Date"). When issued, the Series 2019 Certificates will initially be registered in the name of Cede & Co., as registered owner and nominee for DTC. The Beneficial Owners will not receive physical delivery of the Series 2019 Certificates. Ownership by the Beneficial Owners of the Series 2019 Certificates will be evidenced through a book-entry-only system of registration. As long as Cede & Co., is the registered owner as nominee of DTC, payment of the Principal Component and Interest Component of the Basic Rent Payments represented by the Series 2019 Certificates will be made directly to Cede & Co., which will in turn remit such payments to the DTC Participants for subsequent disbursement to the Beneficial Owners. Individuals may purchase beneficial interests in the Series 2019 Certificates in the amount of \$5,000 or integral multiples thereof. Interest will be paid by check or draft of the Trustee, as Paying Agent and Registrar, mailed on each Payment Date to Owners listed in the registration books maintained by the Trustee on the 15th day of the month (whether or not a business day) next preceding each Payment Date (the "Record Date"); provided however, that at the request and expense of the Owner of \$1,000,000 or more in aggregate principal amount of Series 2019 Certificates, interest shall be paid by wire transfer on the Payment Date to a bank account located in the continental United States and designated in writing to the Trustee by said Owner five days prior to such Payment Date. The Principal Component of Basic Rent Payments represented by the Series 2019 Certificates is payable to Owners upon presentation and surrender, when due, at maturity or earlier prepayment, at the designated corporate trust office of the Trustee in Jacksonville, Florida.

The initial Lease Term of the Series 2019 Lease Agreement will commence on the delivery date of the Series 2019 Certificates and continue through and including June 30, 2019, and is automatically renewable annually thereafter through June 30, 2044, unless earlier terminated as described in the Series 2019 Lease Agreement.. In addition to the Series 2019 Lease Agreement, the School Board has previously entered into the Series 2006 Lease Agreement and the Series 2009 Lease Agreement (each as defined herein), and may enter into other leases under the Master Lease. Prior to the issuance of the Series 2019 Lease Agreement, there is one elementary school and improvements to two middle schools and three high schools leased under the Master Lease. Based on the District's budgeted unweighted full time equivalent enrollment for Fiscal Year 2018-19 of 27,851 students, approximately [8.74]% of the District's students attended classes in facilities leased under the Master Lease (but not including the Series 2019 Project to be leased under the Series 2019 Lease Agreement) during the Fiscal Year 2018-19. To determine the above percentage, the number of students attending each facility was calculated as follows: for schools that are built and operating, the number of students for the Fiscal Year 2018-19 was used; for the additions, the number of student stations attributable to each specific classroom for Fiscal Year 2018-19 based on the type of school (elementary, middle, or high) or gymnasium, but does not include cafeterias, media centers, and other facilities that do not have any student stations attributable to them.

*The School Board may not budget and appropriate for a portion of the Projects (as defined herein) leased under the Master Lease; it must budget and appropriate for all Projects or none of them.*

Upon the occurrence of an Event of Non-Appropriation, the Lease Term of the Series 2019 Lease Agreement shall, and upon the occurrence of an Event of Default may, be terminated with respect to the Series 2019 Project (as defined herein) and the Series 2019 Certificates. Upon any such termination, any proceeds of the disposition of leased Projects will be applied to the payment of the related Certificates (as defined herein), all as further described herein. In no event will owners of Certificates have any interest in or right to any proceeds of the disposition of facilities leased under any Lease Schedule (as defined herein) other than the Lease Schedule related to the respective Project. [Should termination of the Master Lease occur, the insured Series 2019 Certificates, if any, will not be prepaid except at the option of the Insurer.] No opinion is expressed by Special Counsel as to the effect of securities laws with respect to the Series 2019 Certificates following an Event of Non-Appropriation or certain Events of Default under the Master Lease which results in termination of the Series 2019 Lease Agreement. In addition, following termination of the Series 2019 Lease Agreement, transfers of the Series 2019 Certificates may be subject to compliance with the registration provisions of state and federal securities laws (see "TAX MATTERS" AND "RISK FACTORS" herein). [Termination of the Series 2019 Lease Agreement will not result in termination of the municipal bond insurance policy, if any, issued by the Insurer, if any (see "MUNICIPAL BOND INSURANCE POLICY OPTION" herein).]

**THE SCHOOL BOARD OF SANTA ROSA COUNTY, FLORIDA**  
**Milton, Florida 32570**

**SCHOOL BOARD MEMBERS**

Carol Boston, Chairperson  
Clifton L. Hinote, Vice Chairperson  
Jennifer Granse  
Linda Sanborn  
Wei Ueberschaer

**DISTRICT OFFICIALS**

**Superintendent of Schools**

Tim Wyrosdick

**Assistant Superintendent for Finance**

M. Susan McCole

**COUNSEL TO THE SCHOOL BOARD AND THE CORPORATION**

Paul R. Green, Esquire  
Milton, Florida

**SPECIAL COUNSEL**

Bryant Miller Olive P.A.  
Tallahassee, Florida

**DISCLOSURE COUNSEL**

Bryant Miller Olive P.A.  
Tallahassee, Florida

**FINANCIAL ADVISOR**

PFM Financial Advisors LLC  
Orlando, Florida

**TRUSTEE**

The Bank of New York Mellon Trust Company, N.A.  
Jacksonville, Florida

This Offering Statement does not constitute an offer to sell the Series 2019 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 2019 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 the School Board, [the Insurer,] DTC 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 School Board, the Corporation, the Trustee, the Financial Advisor or the Underwriters. Any statements in this Offering Statement involving estimates, assumptions and matters of opinion, whether or not so expressly stated, are intended as such and not as representations of fact, and the School Board, the Corporation, the Trustee, the Financial Advisor and the Underwriters expressly make no representations that such estimates, assumptions and opinions will be realized or fulfilled. Any information, estimates, assumptions and matters of opinion contained in this Offering Statement are subject to change without notice, and neither the delivery of this Offering Statement, nor any sale made hereunder, shall under any circumstances create any implication that there has been no change in the affairs of the School Board since the date hereof or the earliest date as of which such information was given.

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

[The Insurer, if any, makes no representation regarding the Series 2019 Certificates or the advisability of investing in the Series 2019 Certificates. In addition, the Insurer has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Offering Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding the Insurer supplied by the Insurer and presented under the heading "MUNICIPAL BOND INSURANCE POLICY OPTION" and "APPENDIX I – SPECIMEN MUNICIPAL BOND INSURANCE POLICY."]

[Neither the School Board nor the Underwriters have made independent investigation into the claims paying ability of the Insurer, if any, and no assurance or representation regarding the financial strength or projected financial strength of the Insurer, if any, is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the School Board to pay principal and interest on the Series 2019 Certificates and the claims paying ability of the Insurer, if any, particularly over the life of the investment.]

NO REGISTRATION STATEMENT RELATING TO THE SERIES 2019 CERTIFICATES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION (THE "COMMISSION") OR WITH ANY STATE SECURITIES COMMISSION. IN MAKING ANY INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATIONS OF THE SCHOOL BOARD, THE

CORPORATION AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE SERIES 2019 CERTIFICATES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE COMMISSION OR ANY STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. THE FOREGOING AUTHORITIES HAVE NOT PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFERING STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2019 CERTIFICATES OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THIS OFFERING STATEMENT DOES NOT CONSTITUTE A CONTRACT BETWEEN THE SCHOOL BOARD OR THE UNDERWRITERS AND ANY ONE OR MORE OF THE OWNERS OF THE SERIES 2019 CERTIFICATES.

THIS PRELIMINARY OFFERING STATEMENT IS IN A FORM DEEMED FINAL BY THE SCHOOL BOARD FOR PURPOSES OF RULE 15c2-12 PROMULGATED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, EXCEPT FOR CERTAIN INFORMATION PERMITTED TO BE OMITTED PURSUANT TO RULE 15c2-12(B)(1).

THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFERING STATEMENT, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED A DETERMINATION OF RELEVANCE, MATERIALITY, OR IMPORTANCE, AND THIS OFFERING STATEMENT, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE CAPTIONS AND HEADINGS IN THIS OFFERING STATEMENT ARE FOR CONVENIENCE ONLY AND IN NO WAY DEFINE, LIMIT, OR DESCRIBE THE SCOPE OR INTENT, OR AFFECT THE MEANING OR CONSTRUCTION, OF ANY PROVISIONS OR SECTIONS IN THIS OFFERING STATEMENT. THE OFFERING OF THE SERIES 2019 CERTIFICATES IS MADE ONLY BY MEANS OF THIS ENTIRE OFFERING STATEMENT.

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS OFFERING STATEMENT CONSTITUTE "FORWARD-LOOKING STATEMENTS." SUCH STATEMENTS GENERALLY ARE IDENTIFIABLE BY THE TERMINOLOGY USED, SUCH AS "PLAN," "EXPECT," "ESTIMATE," "BUDGET," OR OTHER SIMILAR WORDS. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES, AND OTHER FACTORS THAT MAY CAUSE ACTUAL RESULTS, PERFORMANCE, OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE, OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE SCHOOL BOARD DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS OR EVENTS, CONDITIONS, OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, SUBJECT TO ANY CONTRACTUAL OR LEGAL RESPONSIBILITIES TO THE CONTRARY.

THIS OFFERING STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS IN EITHER BOUND OR PRINTED FORMAT ("ORIGINAL BOUND FORMAT"), OR IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITES: [WWW.MUNIOS.COM](http://WWW.MUNIOS.COM) AND [WWW.EMMA.MSRB.ORG](http://WWW.EMMA.MSRB.ORG).

THIS OFFERING STATEMENT MAY BE RELIED ON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT, OR IF IT IS PRINTED OR SAVED IN FULL DIRECTLY FROM THE AFOREMENTIONED WEBSITES.

REFERENCES TO WEBSITE ADDRESSES PRESENTED HEREIN ARE FOR INFORMATIONAL PURPOSES ONLY AND MAY BE IN THE FORM OF A HYPERLINK SOLELY FOR THE READER'S CONVENIENCE. UNLESS SPECIFIED OTHERWISE, SUCH WEBSITES AND THE INFORMATION OR LINKS CONTAINED THEREIN ARE NOT INCORPORATED INTO, AND ARE NOT PART OF, THIS OFFERING STATEMENT FOR PURPOSES OF RULE 15c2-12.

All summaries herein of documents and agreements are qualified in their entirety by reference to such documents and agreements, and all summaries herein of the Series 2019 Certificates are qualified in their entirety by reference to the form thereof included in the aforesaid documents and agreements.

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## OFFERING STATEMENT

*related to*

\$[\_\_\_\_\_]\*

**CERTIFICATES OF PARTICIPATION, SERIES 2019  
Evidencing an Undivided Proportionate Interest of Owners thereof  
in Basic Rent Payments to be made by The School Board of Santa Rosa County, Florida, as Lessee  
pursuant to a Master Lease-Purchase Agreement with the  
Santa Rosa School Board Leasing Corporation, as Lessor**

### INTRODUCTION

#### General

This Offering Statement, including the cover page, the inside cover pages and appendices attached hereto, is provided to furnish information with respect to The School Board of Santa Rosa County, Florida (the "School Board"), the governing body of the School District of Santa Rosa County, Florida (the "District"), and the sale and delivery of the Certificates of Participation, Series 2019 (the "Series 2019 Certificates") which are being issued in the aggregate principal amount of \$[\_\_\_\_\_] pursuant to a Trust Agreement, dated as of June 1, 1992, as amended and supplemented (the "Master Trust Agreement"), and as particularly amended and supplemented by the Series 2019 Supplemental Trust Agreement, dated as of July 1, 2019 (the "Series 2019 Supplemental Trust Agreement" and, together with the Master Trust Agreement, the "Trust Agreement"), each by and among the School Board, the Santa Rosa School Board Leasing Corporation, a Florida not-for-profit corporation (the "Corporation"), as successor in interest to the Florida School Boards Association, Inc. (the "Association"), and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "Trustee"). The Bank of New York Mellon Trust Company, N.A., is also serving as Paying Agent and Registrar.

The Series 2019 Certificates represent proportionate undivided interests of the owners thereof in the right to receive a portion of the Basic Rent Payments payable under a Master Lease-Purchase Agreement, dated as of June 1, 1992, as amended and supplemented from time to time (the "Master Lease"), and as particularly amended and supplemented by Lease Schedule No. 2019, dated as of July 1, 2019 (the "Lease Schedule No. 2019" and, together with the Master Lease, the "Series 2019 Lease Agreement"), each by and between the Corporation, as assignee of the Association, and the School Board. The initial term of the Series 2019 Lease Agreement will commence on the delivery date of the Series 2019 Certificates and will continue through and including June 30, 2019, and is automatically renewable annually through June 1, 2044, unless earlier terminated as described in the Series 2019 Lease Agreement. The educational facilities being lease-purchased under the Series 2019 Lease Agreement includes the acquisition and construction of a new K-8 school (the "Series 2019 Project"). See "THE SERIES 2019 PROJECT."

The rights, title, and interest of the Corporation in the Series 2019 Lease Agreement, including the right of the Corporation to receive Basic Rent Payments, to use, sell, and relet projects and to exercise remedies thereunder, other than its rights to indemnification, its right to enter into additional Lease

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\*Preliminary, subject to change.

Schedules, and its obligation not to impair the tax status of the Series 2019 Certificates have been irrevocably assigned by outright assignment to the Trustee pursuant to an Assignment Agreement, dated as of June 1, 1992, as amended and supplemented (the "Assignment"), and as particularly amended and supplemented by the Series 2019 Supplemental Assignment Agreement, dated as of July 1, 2019 (the "Series 2019 Supplemental Assignment Agreement" and, together with the Assignment, the "Series 2019 Assignment").

The School Board currently holds title to the site on which the Series 2019 Project is located (the "Series 2019 Lands"). Pursuant to a Series 2019 Ground Lease Agreement, dated as of July 1, 2019 (the "Series 2019 Ground Lease"), the School Board is leasing the Series 2019 Lands to the Corporation. The term of the Series 2019 Ground Lease will commence on the delivery date of the Series 2019 Certificates and ends on June 1, 2054, subject to Permitted Encumbrances (as defined in the Series 2019 Ground Lease), and subject to earlier termination or extension as set forth therein. The rights, title, and interest of the Corporation in the Series 2019 Ground Lease, including the leasehold estate created by the Series 2019 Ground Lease and any Buildings and improvements thereon, have been irrevocably assigned by outright assignment to the Trustee pursuant to the Series 2019 Assignment. See "APPENDIX E: ASSIGNMENT AGREEMENT AND FORM OF SERIES 2019 ASSIGNMENT AGREEMENT."

## The Certificates

The following table presents a summary of the Lease Schedules, the related projects financed and refinanced thereby, the final termination date of each Lease Schedule, the related Series of Certificates, and the outstanding principal amount of such Certificates after the issuance of the Series 2019 Certificates:

Lease Agreement	Projects Financed	Final Termination Date of Lease	Related Series of Certificates	Principal Amount Outstanding
Series 2006	Consolidated 2006	June 30, 2031	Series 2014	\$17,760,000
Series 2009	2009	June 30, 2025	Series 2009	5,955,000
Series 2019	2019	June 30, 2044	Series 2019	(1)
			TOTAL	\$

(1) Preliminary, subject to change.

The Series 2009 Certificate and the Series 2014 Certificates (each as defined herein) are herein collectively referred to as the "Prior Certificates." The Prior Certificates, the Series 2019 Certificates, and any additional Series of Certificates are herein collectively referred to as the "Certificates." Similarly, the Consolidated 2006 Project and Series 2009 Project are herein collectively referred to as the "Prior Projects," and the Series 2006 Lease Agreement and the Series 2009 Lease Agreement are herein collectively referred to as the "Prior Lease Agreements." See "THE PRIOR PROJECTS" herein for more information regarding the Prior Projects financed and refinanced with proceeds of the Prior Certificates.

## Other Information

Brief descriptions of the Series 2019 Certificates, the School Board, the Corporation, the Series 2019 Lease Agreement, the Trust Agreement, the Series 2019 Assignment, and the Series 2019 Ground Lease are included in this Offering Statement. All references herein to the Series 2019 Certificates, the

Series 2019 Lease Agreement, the Trust Agreement, the Series 2019 Assignment, and the Series 2019 Ground Lease are qualified in their entirety by reference to the complete documents, respectively. Copies of forms of the Trust Agreement, the Series 2019 Lease Agreement, the Series 2019 Assignment, and the Series 2019 Ground Lease are included herein as Appendices C, D, E, and F, respectively. This Offering Statement speaks only as of its date and the information contained herein is subject to change.

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: TRUST AGREEMENT AND FORM OF SERIES 2019 SUPPLEMENTAL TRUST AGREEMENT" attached hereto.

## **AUTHORIZATION**

Pursuant to the applicable provisions of the laws of the State of Florida (the "State"), including particularly Chapters 1000 through 1013, Florida Statutes (collectively, the "Act"), and the judicial decisions related thereto, the School Board has the power and authority to enter into transactions such as that contemplated by the Series 2019 Lease Agreement, the Series 2019 Ground Lease and the Trust Agreement. The School Board authorized doing so pursuant to a resolution duly adopted by the School Board on May 16, 2019 (the "Resolution").

## **PURPOSE OF THE SERIES 2019 CERTIFICATES**

The Series 2019 Certificates are being issued to (i) finance a portion of the cost of the acquisition, construction, installation, and/or equipping of the Series 2019 Project, and (ii) to pay costs associated with the issuance of the Series 2019 Certificates[, including a municipal bond insurance policy premium, if any]. See "THE SERIES 2019 PROJECT" herein.

## **THE SERIES 2019 CERTIFICATES**

### **General**

The Series 2019 Certificates will be dated the date of delivery, will mature in the years and principal amounts and accrue interest at the fixed interest rates set forth on the inside cover page of this Offering Statement. The Series 2019 Certificates will initially be issued exclusively in "book-entry" form and ownership of one fully registered Series 2019 Certificate for each maturity as set forth on the inside cover page, each in the aggregate principal amount of such maturity, will be initially registered in the name of "Cede & Co." as nominee of The Depository Trust Company, New York, New York ("DTC"). The Principal Component and Interest Component of Basic Rent Payments represented by the Series 2019 Certificates are payable in the manner set forth under "THE SERIES 2019 CERTIFICATES – Book-Entry-Only System." Individual purchases of the Series 2019 Certificates will be made in increments of \$5,000 or integral multiples thereof.

The Interest Component of Basic Rent Payments represented by the Series 2019 Certificates is payable on February 1 and August 1 of each year, commencing on February 1, 2020, to and including the date of maturity or earlier prepayment (each a "Payment Date"), and represents undivided proportionate interests in the Interest Component of Basic Rent Payments due on the December 31 and June 30 prior to each Payment Date to and including the maturity or earlier prepayment of the Series 2019 Certificates under the Series 2019 Lease Agreement. The Interest Component of the Basic Rent Payments represented by the Series 2019 Certificates will be computed on the basis of a 360-day year comprised of twelve 30-

day months. The Principal Component of Basic Rent Payments represented by the Series 2019 Certificates is payable on February 1 of each year, commencing on February 1, 2020, to and including the date of maturity or earlier prepayment of the Series 2019 Certificates, and represents undivided proportionate interests in the Principal Component of the Basic Rent Payments due on the December 31 prior to each February 1 to and including the maturity or earlier prepayment of the Series 2019 Certificates under the Series 2019 Lease Agreement.

The Principal Component or Prepayment Price of the Series 2019 Certificates is payable to the registered owner upon presentation at the designated corporate trust office of the Trustee. Except as otherwise provided in connection with the maintenance of a book-entry only system of registration of the Series 2019 Certificates, the Interest Component of the Basic Rent Payments represented by the Series 2019 Certificates is payable to the registered owner at the address shown on the registration books maintained by the Trustee as of the 15th day of the month (whether or not a Business Day) preceding the Payment Date (the "Record Date") or at the prior written request and expense of any registered owner of at least \$1,000,000 in aggregate principal amount of Series 2019 Certificates by bank wire transfer to a bank account in the United States designated in writing at least five days prior to the next preceding Payment Date. Notwithstanding the above, reference is made to the book-entry system of registration described under "THE SERIES 2019 CERTIFICATES – Book-Entry-Only System."

### **Book-Entry-Only System**

THE INFORMATION IN THIS SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY ONLY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE CORPORATION AND THE SCHOOL BOARD BELIEVE TO BE RELIABLE, BUT NEITHER THE CORPORATION NOR THE SCHOOL BOARD TAKE ANY RESPONSIBILITY FOR THE ACCURACY THEREOF.

DTC will act as securities depository for the Series 2019 Certificates. The Series 2019 Certificates will be 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. Purchases of beneficial ownership interests in the Series 2019 Certificates will be made in book entry-only form, in the denominations hereinbefore described. Purchasers of beneficial ownership interests in the Series 2019 Certificates ("Beneficial Owners") will not receive Series 2019 Certificate representing their ownership interests in the Series 2019 Certificates, except in the event that use of the book entry-only system for the Series 2019 Certificates is discontinued. One fully registered certificate will be issued for each maturity of the Series 2019 Certificates, and 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 a Standard & Poor's rating of AA+. 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).

Purchases of Series 2019 Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2019 Certificates on DTC's records. The ownership interest of each actual purchaser of each Series 2019 Certificate (the "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 2019 Certificates are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2019 Certificates, except in the event that use of the book entry system for the Series 2019 Certificates is discontinued.

To facilitate subsequent transfers, all Series 2019 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 2019 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 2019 Certificates. DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2019 Certificates are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping 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 among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Series 2019 Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2019 Certificates, such as redemptions, tenders, defaults, and proposed amendments to the Series 2019 Certificate documents. For example, Beneficial Owners of the Series 2019 Certificates may wish to ascertain that the nominee holding the Series 2019 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 Registrar and request that copies of the notices be provided directly to them.

Prepayment notices shall be sent to DTC. If less than all of the Series 2019 Certificates within an issue are being prepaid, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such certificates to be prepaid.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2019 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 Trustee 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 2019 Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Prepayment proceeds and interest payments on the Series 2019 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 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 registered in "street name," and will be the responsibility of such Participants and not of DTC, Agent, or the Trustee, subject to any statutory or 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 Trustee for the Series 2019 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 Direct and Indirect Participants.

None of the Corporation, the School Board or the Trustee can give any assurances that DTC, Direct Participants, Indirect Participants or others will distribute payments of principal of, premium, if any, and interest on the Series 2019 Certificates paid to DTC or its nominee, or any prepayment or other notices, to the Beneficial Owners, or that they will do so on a timely basis or that DTC will serve or act in a manner described in this Offering Statement.

For every transfer and exchange of beneficial interests in the Series 2019 Certificates, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other government charge that may be imposed in relation thereto.

DTC may discontinue providing its services as depository with respect to the Series 2019 Certificates at any time by giving reasonable notice to the School Board. Under such circumstances, in the event that a successor depository is not obtained, certificates are required to be printed and delivered to DTC.

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

## **Prepayment**

Optional Prepayment. The Series 2019 Certificates maturing prior to February 1, 20\_\_, are not subject to optional prepayment prior to maturity. The Series 2019 Certificates maturing on or after February 1, 20\_\_, may be prepaid, from prepayments of Basic Rent made by the School Board pursuant to the Lease Agreement, in whole or in part on \_\_\_\_\_ 1, 20\_\_, or any date thereafter, and if in part, 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 2019 Certificates to be prepaid, plus accrued and unpaid interest thereon.

Mandatory Sinking Fund Prepayment. The Series 2019 Certificates maturing on February 1, 20\_\_, shall be subject to mandatory sinking fund prepayment on February 1, 20\_\_, and on each February 1 thereafter in the Amortization Installments and in the years set forth below. The Trustee shall select such Series 2019 Certificates by lot in such manner as it deems appropriate in its sole discretion.

	Amortization
Year	Installment

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\* Maturity]

No Extraordinary Prepayment in the Event of Damage, Destruction, or Condemnation. The Series 2019 Certificates shall not be subject to extraordinary prepayment from Net Proceeds of insurance or condemnation, and any amounts received therefrom shall be applied as provided in the Series 2019 Lease Agreement, as more particularly described below.

Notwithstanding the provisions set forth in Sections 5.08(c) and (d) of the Master Lease, if the portion of the Net Proceeds related to the Series 2019 Project are not greater than the amount of the Lease Payments represented by the Series 2019 Certificates coming due in the immediately following fiscal year under the Lease Schedule No. 2019, then such amounts shall be used first, to pay the Interest Component of the Series 2019 Certificates for the next two interest Payment Dates and then to pay the Principal Component next coming due. In the event such portion of the Net Proceeds is greater than the amount of the Lease Payments represented by the Series 2019 Certificates coming due under the Lease Schedule No. 2019 in the immediately following fiscal year, at the option of the School Board, the School Board shall apply the portion of the Net Proceeds of such insurance or condemnation award to (i) the acquisition, construction, and installation of other Land and/or Buildings to be used for educational purposes that will be subject to the Lease Schedule No. 2019, or (ii) upon receipt of an approving opinion of Special Counsel, to the Series 2019 Subaccount of the Interest Account, or Series 2019 Subaccount of the Principal Account, as applicable, to be credited against the payments next due to such accounts or subaccounts.

Selection of Series 2019 Certificates for Prepayment. When Series 2019 Certificates are to be selected for prepayment by lot, selection of Series 2019 Certificates for prepayment shall be in such manner as the Trustee shall determine; provided, however, that the portion of any Series 2019 Certificates to be prepaid shall be in the principal amount of \$5,000 or any whole multiple thereof, and that in selecting portions of Series 2019 Certificates for prepayment, the Trustee shall treat each such Series 2019 Certificates as representing the number of Series 2019 Certificates which is obtained by dividing the principal amount with respect to such Series 2019 Certificates by \$5,000.

DTC Procedures. Investors should note that while DTC is the registered owner of the Series 2019 Certificates, partial prepayments of the Series 2019 Certificates will be determined in accordance with DTC's procedures. The School Board intends that prepayment allocations made by DTC, the DTC Participants, or such other intermediaries that may exist between the School Board and the Beneficial Owners of the Series 2019 Certificates be made in accordance with the method of selection of Series 2019 Certificates for a partial prepayment described herein. However, the selection of the Series 2019



Certificates for prepayment in DTC's book-entry-only system is subject to DTC's practices and procedures as in effect at the time of any such partial prepayment. The School Board can provide no assurance that DTC or the DTC Participants or any other intermediaries will allocate prepayments among Beneficial Owners in accordance with the method of selection of Series 2019 Certificates for a partial prepayment described above.

Notice of Prepayment. When prepayment of the Series 2019 Certificates is authorized or required pursuant to the provisions of the Trust Agreement, the Trustee shall give to **[the Insurer, if any, and]** the Owners of the Series 2019 Certificates to be prepaid, notice, at the expense of the School Board, of the prepayment of the Series 2019 Certificates. Such notice shall state: (i) the CUSIP numbers of all Series 2019 Certificates being prepaid, (ii) the original issue date of such Series 2019 Certificates, (iii) the maturity date, Series and rate of interest borne by each Series 2019 Certificate being prepaid, (iv) the prepayment date, (v) the Prepayment Price, (vi) the date on which such notice is mailed, (vii) if less than all Outstanding Series 2019 Certificates are to be prepaid, the certificate number (and, in the case of a partial prepayment of any Series 2019 Certificate, the principal amount) of each Series 2019 Certificate to be prepaid, (viii) that on such prepayment date, there shall become due and payable upon each Series 2019 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 2019 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 (ix) that the Series 2019 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 such prepayment shall be given by mail, postage prepaid, not more than 60 days or fewer than 30 days prior to the date of prepayment, to the Owners of any Series 2019 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 proceedings for the prepayment of the Series 2019 Certificates.

Notwithstanding any provisions to the Trust Agreement to the contrary, the School Board is not required to deposit funds with the Trustee prior to the mailing by the Trustee of any notice of prepayment for the Series 2019 Certificates, provided that, in such case, notice of any prepayment of Series 2019 Certificates shall explicitly state that the proposed prepayment is conditioned on there being on deposit in the applicable account or subaccount on the prepayment date sufficient funds to pay the full Prepayment Price of the Series 2019 Certificates to be prepaid or any other conditions as may be set forth in such notice of prepayment. In the event the conditions stated in the notice of prepayment are not satisfied on the proposed prepayment date, such prepayment shall not occur and such notice of prepayment shall be of no further force or effect.

So long as the Series 2019 Certificates are issued in book-entry only form, notice of prepayment will be mailed, postage prepaid (not less than 30 days before the Prepayment Date in the case of optional prepayment, unless a different notice period is required by DTC) to Cede & Co., as nominee for DTC, and the Trustee will not mail any prepayment notice directly to the Beneficial Owners of the Series 2019 Certificates. See "THE SERIES 2019 CERTIFICATES – Book-Entry Only System."

Effect of Prepayment. On the date fixed for prepayment, notice having been given in the manner and under the conditions provided in the Trust Agreement, the Series 2019 Certificates or portions thereof called for prepayment shall be due and payable at the Prepayment Price provided therefor, plus

accrued interest to such date. If money or Refunding Securities, or a combination of both, sufficient to pay the Prepayment Price of the Series 2019 Certificates to be prepaid, plus accrued interest thereon to the date fixed for prepayment, are held by the Trustee in trust for the Owners of the Series 2019 Certificates to be prepaid, interest on the Series 2019 Certificates called for redemption shall cease to accrue as of the date set for prepayment; such Series 2019 Certificates shall cease to be entitled to any benefits or security under the Trust Agreement or to be deemed Outstanding; and the Owners of such Series 2019 Certificates shall have no rights in respect thereof except to receive payment of the Prepayment Price thereof, plus accrued interest to the date fixed for prepayment from the moneys and/or Refunding Securities held therefor.

### **Negotiability, Registration, Transfer and Exchange**

*So long as the Series 2019 Certificates are registered in the name of Cede & Co., as the nominee of DTC, the transfer and exchange of any Series 2019 Certificates shall be governed by rules established between DTC and its Participants. Upon the discontinuance of the book-entry-only registration system for the Series 2019 Certificates, the following provisions described under this subheading shall apply for the Beneficial Owners.*

The Trustee shall keep or cause to be kept a Certificate Register for the Series 2019 Certificates, which shall at all times be open to inspection by the School Board, the Corporation and the Owners of the Series 2019 Certificates; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register the transfer or cause to be registered the transfer, on the Certificate Register of the Series 2019 Certificates as provided therein.

The transfer of any Series 2019 Certificate may be registered only upon the Certificate Register upon surrender thereof to the Trustee together with an assignment duly executed by the Owner or such Owner's attorney or legal representative in such form as shall be satisfactory to the Trustee. Upon any such registration of transfer, the Trustee shall authenticate and deliver in exchange for such Series 2019 Certificate a new registered Series 2019 Certificate or Series 2019 Certificates, registered in the name of the transferee, of any authorized denomination or denominations in the aggregate principal amount equal to the principal amount of such Series 2019 Certificate surrendered or exchanged, of the same maturity and Series and bearing interest at the same rate.

In all cases in which Series 2019 Certificates shall be exchanged or the transfer of Series 2019 Certificates shall be registered under the Trust Agreement, the Trustee shall authenticate and deliver, at the earliest practicable time, Series 2019 Certificates in accordance with the provisions of the Trust Agreement. All Series 2019 Certificates surrendered in any such exchange or registration of transfer shall forthwith be cancelled by the Trustee. Upon the cancellation of any Series 2019 Certificates by the Trustee, the Trustee shall execute a certificate of cancellation in duplicate by the signature of one of its authorized officers describing the Series 2019 Certificates so cancelled, and executed cancellation certificates shall be filed with the School Board and the Corporation and the other executed cancellation certificate shall be retained by the Trustee. No service charge shall be made for any registration, transfer, or exchange of Series 2019 Certificates, however the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Series 2019 Certificates as a condition precedent to such registration, transfer or exchange. The Trustee shall not be required to transfer or exchange Series 2019 Certificates (i) during a period beginning at the opening of business 15 days before the day of a mailing of a notice of prepayment of Series 2019 Certificates and ending at the close of business on the day of such mailing, (ii) so selected for prepayment in whole or in

part, or (iii) during a period beginning at the close of business on the Record Date next preceding a date set for payment of interest and ending on such interest Payment Date.

The Series 2019 Certificates, upon surrender thereof at the designated corporate trust office of the Trustee, together with an assignment duly executed by the Owner or his attorney or legal representative in such form as shall be satisfactory to the Trustee, may, at the option of the Owner thereof, be exchanged for an equal aggregate principal amount of the Series 2019 Certificates of the same maturity and Series, of any denomination or denominations authorized by the Trust Agreement, bearing interest at the same rate, and in the same form as the Series 2019 Certificates surrendered for exchange.

### **Ownership of Series 2019 Certificates**

The Trustee shall deem and treat the Person in whose name any Outstanding Series 2019 Certificate shall be registered upon the Certificate Register as the absolute Owner of such Series 2019 Certificate, whether such Series 2019 Certificate shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and interest payments with respect to such Series 2019 Certificate and for all other purposes, and all such payments so made to any such Owner or upon his order shall be valid and effective to satisfy and discharge the liability upon such Series 2019 Certificate to the extent of the sum or sums so paid, and neither the Corporation, the School Board nor the Trustee shall be affected by any notice to the contrary.

### **Series 2019 Certificates Mutilated, Destroyed, Stolen, or Lost**

In case any Series 2019 Certificate secured by the Trust Agreement shall become mutilated or be destroyed, stolen or lost, the Trustee shall cause to be executed, shall authenticate and deliver, a new Series 2019 Certificate of like date and tenor in exchange and substitution for and upon the cancellation of such mutilated Series 2019 Certificate or in lieu of and in substitution for such Series 2019 Certificate destroyed, stolen or lost, and the Owner shall pay the reasonable expenses and charges of the Trustee in connection therewith and, in case of a Series 2019 Certificate stolen, destroyed or lost, the Owner shall file with the Trustee evidence satisfactory to it that such Series 2019 Certificate was stolen, destroyed or lost, and of his ownership thereof, and as a condition precedent to delivery of such new Series 2019 Certificate the Trustee may require indemnity satisfactory to it[, and shall require any indemnity required by the Insurer, if any].

Every Series 2019 Certificate issued in exchange or substitution for any Series 2019 Certificate which is mutilated, destroyed, lost or stolen shall constitute an additional contractual obligation pursuant to the terms of the Trust Agreement, whether or not the destroyed, lost or stolen Series 2019 Certificate shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of the Trust Agreement equally and proportionately with any and all other Series 2019 Certificates duly issued the Trust Agreement.

## **SECURITY FOR THE SERIES 2019 CERTIFICATES**

### **General**

The Series 2019 Certificates evidence undivided proportionate interests in the Principal Component and Interest Component of Basic Rent Payments made by the School Board under the Series 2019 Lease Agreement. The Series 2019 Certificates are secured by and payable from the Trust Estate

established for the Series 2019 Certificates (the "Trust Estate") pursuant to the Trust Agreement. The Trust Estate consists of all estate, right, title, and interest of the Trustee in and to the Basic Rent Payments under the Series 2019 Lease Agreement and all amounts held in the funds and accounts under the Trust Agreement, allocable to the Series 2019 Certificates, all in accordance with the provisions of the Series 2019 Lease Agreement and the Trust Agreement, including investment earnings thereon, and any and all monies allocable to the Series 2019 Certificates received by the Trustee pursuant to the Series 2019 Lease Agreement and the Trust Agreement which are not required to be remitted to the School Board or the Corporation pursuant to the Series 2019 Lease Agreement or the Trust Agreement.

Neither the Corporation nor the School Board will mortgage or grant a security interest in the Series 2019 Project to the Trustee. Upon termination of the Series 2019 Lease Agreement upon the occurrence of an Event of Non-Appropriation or in the case of certain Events of Default, however, the Series 2019 Lease Agreement provides that the School Board must surrender possession of the Series 2019 Project to the Trustee as assignee of the Corporation for disposition by sale or re-letting of its interest in such Series 2019 Project as provided in the Trust Agreement. Any proceeds of any such disposition of the Series 2019 Project will be applied to the payment of the Series 2019 Certificates, after payment of the expenses of the Trustee, in accordance with the terms of the Series 2019 Lease Agreement. With respect to the Series 2019 Lease Agreement, the School Board may not be dispossessed of any Designated Equipment financed, in whole or in part, with proceeds of the Series 2019 Certificates. See "THE SERIES 2019 PROJECT" for a description of the Series 2019 Project against which the Trustee may exercise rights on behalf of the Owners of the Series 2019 Certificates. See also "THE SERIES 2019 LEASE AGREEMENT – 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 2019 Lease Agreement, the Prior Lease Agreements, and all other Lease Agreements will be made from moneys and revenues of the School Board authorized by law and regulations of the State of Florida Department of Education to be used for such purpose (the "Available Revenues") and budgeted and appropriated for such purpose by the School Board. Revenues available to the District for operational purposes and capital projects such as the Series 2019 Project are described under "OPERATING REVENUES OF THE DISTRICT" and "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS." Such revenues may also be used to pay other outstanding obligations of the District.

The Master Trust Agreement, as amended and supplemented by the Series 2019 Supplemental Trust Agreement, provides for the establishment and maintenance in the Lease Payment Fund of a Series 2019 Subaccount of the Interest Account and a Series 2019 Subaccount of the Principal Account for deposit of Basic Rent Payments appropriated and paid under the Series 2019 Lease Agreement. Separate subaccounts are established in the Lease Payment Fund for each new group of Projects to be financed by a Series of Certificates issued under the Trust Agreement. Lease Payments due under the Lease Schedules to the Master Lease are subject to annual appropriation by the School Board on an all-or-none basis and are payable solely from the Available Revenues appropriated by the School Board for such purposes; 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. Such additional Projects may be financed through the sale of additional Series of Certificates under the Master Trust Agreement. THE SCHOOL BOARD MAY NOT BUDGET AND APPROPRIATE LEASE PAYMENTS DUE FOR A PORTION OF THE PROJECTS LEASED UNDER THE MASTER LEASE; IT MUST BUDGET AND APPROPRIATE LEASE PAYMENTS FOR ALL PROJECTS OR NONE OF THEM. THERE CAN BE NO ASSURANCE THAT

SUFFICIENT AVAILABLE REVENUES WILL BE APPROPRIATED OR OTHERWISE BE MADE AVAILABLE TO MAKE ALL OF THE LEASE PAYMENTS DUE UNDER THE MASTER LEASE.

### **Limited Obligation of the School Board**

THE BASIC RENT PAYMENTS AND, CONSEQUENTLY, THE CERTIFICATE PAYMENTS OF PRINCIPAL AND INTEREST ARE PAYABLE SOLELY FROM THE SCHOOL BOARDS AVAILABLE REVENUES AND NEITHER THE SCHOOL BOARD, THE STATE, NOR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF SHALL BE OBLIGATED TO PAY ANY SUMS DUE UNDER THE SERIES 2019 LEASE AGREEMENT EXCEPT FROM AVAILABLE REVENUES APPROPRIATED BY THE SCHOOL BOARD. THE CERTIFICATE PAYMENTS OF PRINCIPAL AND INTEREST AND THE PAYMENTS DUE FROM THE SCHOOL BOARD UNDER THE SERIES 2019 LEASE AGREEMENT AND THE CONTRACTUAL OBLIGATIONS OF THE SCHOOL BOARD UNDER THE SERIES 2019 LEASE AGREEMENT DO NOT CONSTITUTE A GENERAL OBLIGATION OR A PLEDGE OF THE FAITH AND CREDIT OF THE SCHOOL BOARD, THE STATE, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. THE ISSUANCE OF THE SERIES 2019 CERTIFICATES WILL NOT DIRECTLY OR INDIRECTLY OBLIGATE THE SCHOOL BOARD, THE STATE, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF TO LEVY OR TO PLEDGE ANY FORM OF AD VALOREM TAXATION OF THE SCHOOL BOARD OR ANY OTHER GOVERNMENTAL ENTITY. SEE "RISK FACTORS."

### **Additional Leases**

As noted above, the School Board has previously entered into the Prior Lease Agreements and may enter into other leases under the Master Lease in addition to the Series 2019 Lease Agreement and the Prior Lease Agreements. See "THE MASTER LEASE PROGRAM." Failure to appropriate Available Revenues to make Lease Payments under any Lease Agreement will, and certain Events of Default under a Lease Agreement may, result in the termination of the Lease Term of all Lease Agreements, including the Series 2019 Lease Agreement. Upon any such termination of the Lease Term of all Lease Agreements, the School Board must surrender all Projects, including the Series 2019 Project (except for certain Designated Equipment), to the Trustee for sale or re-letting of the Trustee's interest. The proceeds of any such disposition of the Series 2019 Project will be applied to the payment of the Series 2019 Certificates, after payment of the expenses of the Trustee, in accordance with the terms of the Series 2019 Lease Agreement. With respect to the Series 2019 Lease Agreement, the School Board may not be dispossessed of any Designated Equipment financed, in whole or in part, with proceeds of Series 2019 Certificates. Except as herein described, in no event will Owners of the Series 2019 Certificates have any interest in or right to the proceeds of the disposition of Projects financed or refinanced 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 Lease Agreements and the disposition of the Series 2019 Project against which the Trustee has rights will produce sufficient amounts to pay the Outstanding Series 2019 Certificates.

For a discussion of remedies available to the Trustee upon the occurrence of an Event of Non-Appropriation of funds to pay Lease Payments or upon the occurrence of an Event of Default, see "THE

SERIES 2019 LEASE AGREEMENT – Termination of Lease Term" and "- Effect of Termination for Non-Appropriation or Default" and "APPENDIX D: MASTER LEASE-PURCHASE AGREEMENT AND FORM OF SERIES 2019 LEASE AGREEMENT."

### **Additional Certificates; Outstanding Certificates**

With respect to any additional Lease Schedules, one or more series of additional Series of Certificates may be authorized by the Corporation at the request of the School Board and executed and delivered by the Trustee for the purpose of: (a) financing the cost of acquisition, construction, and equipping of any Project; (b) financing the cost of completing the acquisition, construction, installation, and equipping of any Project; (c) refinancing or refunding Outstanding Certificates; (d) funding a Reserve Account in an amount equal to the applicable Reserve Requirement, if any; (e) capitalizing the interest portion of Basic Rent Payments during construction; or (f) paying the applicable Costs of Issuance. The aggregate principal amount of additional Series of Certificates, which may be executed and delivered under the provisions of the Master Trust Agreement, is not limited, except as may be provided with respect to a particular series of additional Series of Certificates in any Supplemental Trust Agreement creating such series.

Unless otherwise set forth in a Supplemental Trust Agreement authorizing the issuance of more than one Series of Certificates, each Certificate within a Series of Certificates executed and delivered pursuant to the Trust Agreement shall rank *pari passu* and be equally and ratably secured under the Trust Agreement with each other Certificate of such Series, but not with any Certificates of any other Series, without preference, priority, or distinction of any such Certificate over any other such Certificate, except that to the extent that Basic Rent Payments available for payment to all Certificate holders are less than all amounts owed with respect to all Series of Certificates on any Payment Date, such amounts available shall be applied on a pro rata basis to Certificate holders of all Series in accordance with the ratio that the principal balance of each Series of Certificates outstanding bears to the total amount of Certificates Outstanding under the Trust Agreement.

### **Non-Appropriation Risk**

THE SCHOOL BOARD IS NOT LEGALLY REQUIRED TO APPROPRIATE AVAILABLE REVENUES FOR THE PURPOSE OF MAKING LEASE PAYMENTS. UNDER THE MASTER LEASE THE SCHOOL BOARD MAY NOT BUDGET AND APPROPRIATE AVAILABLE REVENUES TO MAKE LEASE PAYMENTS SELECTIVELY ON A LEASE AGREEMENT BY LEASE AGREEMENT BASIS, BUT MUST APPROPRIATE SUCH AVAILABLE REVENUES FOR ALL LEASE AGREEMENTS OR NONE OF THEM. IF, FOR ANY FISCAL YEAR, THE SCHOOL BOARD DOES NOT APPROVE A BUDGET WHICH APPROPRIATES SUFFICIENT AVAILABLE REVENUES (WITHOUT REGARD TO ANY CREDITS FROM EARNINGS ON AMOUNTS HELD IN THE FUNDS AND ACCOUNTS ESTABLISHED UNDER THE TRUST AGREEMENT) IN A LINE ITEM SPECIFICALLY IDENTIFIED FOR PAYMENT OF ITS OBLIGATIONS UNDER THE MASTER LEASE, SUCH FAILURE SHALL CONSTITUTE AN EVENT OF NON-APPROPRIATION AND THE MASTER LEASE SHALL TERMINATE AS OF THE LAST DAY OF THE INITIAL LEASE TERM OR THE LAST RENEWAL LEASE TERM FOR WHICH AVAILABLE REVENUES HAVE BEEN BUDGETED AND APPROPRIATED AND THE SCHOOL BOARD WILL NOT BE OBLIGATED TO PAY ANY BASIC RENT PAYMENTS ACCRUING OR ARISING BEYOND SUCH LAST DAY. IN SUCH EVENT, THE SCHOOL BOARD IS REQUIRED TO SURRENDER USE, POSSESSION, AND CONTROL OF ALL PROJECTS (OTHER THAN DESIGNATED EQUIPMENT) LEASED UNDER THE MASTER LEASE, INCLUDING THE PRIOR PROJECTS AND THE SERIES 2019

PROJECT TO THE TRUSTEE. 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 2019 LEASE AGREEMENT – TERMINATION OF LEASE TERM" AND "– EFFECT OF TERMINATION FOR NON-APPROPRIATION OR DEFAULT." THERE CAN BE NO ASSURANCE THAT THE REMEDIES AVAILABLE TO THE TRUSTEE IN THE EVENT OF NON-APPROPRIATION WILL PRODUCE SUFFICIENT AMOUNTS TO FULLY PAY THE OUTSTANDING CERTIFICATES FOR PAYING SUCH CLAIMS.

#### **No Reserve Account for Series 2019 Certificates**

There is no Reserve Account for the Series 2019 Certificates. However, pursuant to a Supplemental Trust Agreement authorizing the issuance of any Series of Certificates, there may be established and maintained a separate Reserve Account to secure the payment of the Principal Component and Interest Component of the Basic Rent Payments related to such Series of Certificates. Each such Reserve Account shall secure only the Series of Certificates for which it has been established. See "APPENDIX C: MASTER TRUST AGREEMENT AND FORM OF SERIES 2019 SUPPLEMENTAL TRUST AGREEMENT."

#### **Uniform Commercial Code**

The Series 2019 Certificates will have all the qualities and incidents of an investment security under the Uniform Commercial Code-Investment Securities Law of the State and under such law are exempt from the provisions of the Uniform Commercial Code relating to secured transactions.

#### **[MUNICIPAL BOND INSURANCE POLICY OPTION]**

The School Board will make the determination whether to purchase the Policy to insure all or a portion of the Series 2019 Certificates at the time the Series 2019 Certificates are marketed (collectively, the "Insured Series 2019 Certificates").

#### **The Municipal Bond Insurance Policy**

Concurrently with the issuance of the Series 2019 Certificates, the Insurer may issue its Municipal Bond Insurance Policy for the Insured Series 2019 Certificates (the "Policy"). The Policy guarantees the scheduled payment of the principal and interest on the Insured Series 2019 Certificates when due as set forth in the form of the Policy included as Appendix I to this Offering Statement.

[Insert Insurer Information]

#### **[MUNICIPAL BOND INSURANCE RISK FACTORS]**

In the event of default of the payment of principal or interest with respect to the Insured Series 2019 Certificates when all or some becomes due, any owner of the Insured Series 2019 Certificates shall have a claim under the Policy for such payments. However, in the event of any acceleration of the due date of such principal by reason of optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. The Policy does not insure against redemption premium, if any. The

payment of principal and interest in connection with mandatory or optional redemption of the Insured Series 2019 Certificates by the School Board which is recovered by the School Board from the Certificate owner as a voidable preference under applicable bankruptcy law is covered by the Policy, however, such payments will be made by the Insurer at such time and in such amounts as would have been due absence such prepayment by the School Board unless the Insurer chooses to pay such amounts at an earlier date.

Under most circumstances, default of payment of principal and interest does not obligate acceleration of the obligations of the Insurer without appropriate consent. The Insurer may direct and must consent to any remedies and the Insurer's consent may be required in connection with amendments to the Trust Agreement and the Series 2019 Lease Agreement.

In the event the Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Insured Series 2019 Certificates are payable solely from the moneys received pursuant to the Trust Agreement and the Series 2019 Lease Agreement. In the event the Insurer becomes obligated to make payments with respect to the Insured Series 2019 Certificates, no assurance is given that such event will not adversely affect the market price of the Insured Series 2019 Certificates or the marketability (liquidity) for the Insured Series 2019 Certificates.

The long-term ratings on the Insured Series 2019 Certificates are dependent in part on the financial strength of the Insurer and its claim paying ability. The Insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the Insurer and of the ratings on the Insured Series 2019 Certificates will not be subject to downgrade and such event could adversely affect the market price of the Insured Series 2019 Certificates or the marketability (liquidity) for the Insured Series 2019 Certificates. See "RATINGS" herein.

The obligations of the Insurer are contractual obligations and in an event of default by the Insurer, the remedies available may be limited by applicable bankruptcy law or state law related to insolvency of insurance companies.

Neither the School Board nor the Underwriters have made independent investigation into the claims paying ability of the Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the School Board to pay principal and interest on the Series 2019 Certificates and the claims paying ability of the Insurer, particularly over the life of the investment. See "MUNICIPAL BOND INSURANCE POLICY OPTION" herein for further information provided by the Insurer and the Policy, which includes further instructions for obtaining current financial information concerning the Insurer.]



## THE MASTER LEASE PROJECT

The Series 2019 Project is being financed under the School Board's existing Master Lease 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. Currently, including the Series 2019 Project, approximately 10.9% of all student stations in the District and 10.2% of all gross square feet of educational facilities space in the District is subject to the Master Lease. For a complete description of the Projects under the Master Lease Program, see "THE SERIES 2019 PROJECT" and "THE PRIOR PROJECTS."

Pursuant to the Master Lease, the School Board does not have the ability to appropriate funds to make Lease Payments on 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 none of them. In the event the School Board does not appropriate funds in its annual budget for all of such financed Projects, the School Board would, at the Trustee's option, be required to surrender such Projects, including the Series 2019 Project (other than certain Designated Equipment), to the Trustee for the benefit of the Owners of the Certificates which financed or refinanced such Projects.

## THE SERIES 2019 PROJECT

### The Series 2019 Project

The Series 2019 Project consists of the lease-purchase financing of the acquisition and construction of new K-8 school, as described below, including the Buildings and Equipment, the lease of the Series 2019 Lands by the School Board to the Corporation pursuant to the Series 2019 Ground Lease, and the sublease of the Series 2019 Lands back to the School Board. All of the Buildings and Equipment under the Series 2019 Lease Agreement are located within the District. The School Board holds title to all of the Series 2019 Lands.

The new K-8 school includes 37 elementary school classrooms, 20 middle school classrooms, and 14 ESE classrooms. Support space includes 7,000 square feet of administration, 4,500 square feet for media center, 7,800 square feet for Middle School lockers and multipurpose room, and 13,500 square feet for stage, cafeteria, and kitchen. The total building square footage is approximately 148,000 square feet. The project includes associated sitework, paving, and canopies.

### Estimated Series 2019 Project Budget

The following table sets forth the School Board's current estimates of the cost of the Series 2019 Project. Actual costs may be greater or less than those shown.

Facility	Planning	Acquisition/ Construction	Total Project Cost
New K-8 School South**	\$1,980,000*	\$34,726,271*	\$36,706,271

\*subject to increase or decrease based on final bid award.

\*\*excludes the \$2.4 million purchase price of the property in 2008.

## THE PRIOR PROJECTS

The following descriptions of other Projects are general descriptions of projects currently subject to the Master Lease. Under certain conditions of the Master Lease, the School Board may substitute components of the respective Projects and modify the plans and specifications therefor.

### **Consolidated 2006 Project**

In November 2014, the School Board entered into the Amended and Restated Lease Schedule No. 2006 to the Master Lease (together with the Master Lease, the "Series 2006 Lease Agreement") to refinance certain educational and related facilities described below (the "Series 1997-2 Project" and the "Series 2006 Project" and, collectively, the "Consolidated 2006 Lease Project"). The Series 2006 Lease Agreement related to the Refunding Certificates of Participation, Series 2014 (the "Series 2014 Certificates"), which are currently outstanding in the principal amount of \$17,760,000. Subject to the School Board's right of non-appropriation, the Series 2006 Lease Agreement is automatically renewable annually through June 30, 2031. The Consolidated 2006 Project consists of the following educational and related facilities.

The Series 1997-2 Project. The Series 1997-2 Project consisted of the acquisition, construction and installation of certain educational and administrative facilities, including equipment, as more particularly described below. The Series 1997-2 Project has been fully constructed and is being utilized for the purposes indicated, and is located within the District.

The Series 1997-2 Project is comprised of Phase 3 of the construction of Navarre High School and includes a classroom building, gymnasium building, and a maintenance/equipment/storage building. The gymnasium building, in addition to a gymnasium facility seating 1,500 and locker room facilities, also houses facilities for the art and music departments, including two art labs, a band room and a choral room. The Series 1997-2 Project was subsequently amended to add additional classrooms and related equipment for the Thomas L. Sims Middle School.

The Consolidated 2006 Project does not include the Series 1997-2 Project after March 11, 2027.

The Series 2006 Project. The Series 2006 Project consisted of the acquisition, construction and installation of certain educational and administrative facilities, including equipment as more particularly described below. The Series 2006 Project has been fully constructed and is being utilized for the purposes indicated, and is located within the District.

The Series 2006 Project school facilities include the acquisition construction and installation of Bennett C. Russell Elementary School. The Series 2006 Project was subsequently amended to add the acquisition, construction and equipping of a north wing addition, field house and cafeteria expansion to Navarre High School and the acquisition, construction and equipping of a north wing classroom addition to Woodlawn Beach Middle School.

### **Series 2009 Project**

In December 2009, the School Board entered into the Lease Schedule No. 2009 to the Master Lease (together with the Master Lease, the "Series 2009 Lease Agreement") to finance certain educational and related facilities described below (the "Series 2009 Project"). The Series 2009 Lease Agreement relates to the Certificates of Participation, Series 2009 (the "Series 2009 Certificates"), which are currently

outstanding in the principal amount of \$5,955,000. Subject to the School Board's right of non-appropriation, the Series 2009 Lease Agreement is automatically renewable annually through June 30, 2025.

The Series 2009 Project. The Series 2009 Project consisted of the acquisition, construction and installation of certain educational and administrative facilities, including equipment, as more particularly described below. The Series 2009 Project has been fully constructed and is being utilized for the purposes indicated, and is located within the District.

The Series 2009 Project school facilities consisted of (1) improvements to Jay High School including fourteen classrooms, one vocational classroom with one shop, one art room, five exceptional student educational (ESE) classrooms, two science labs, one home economics classroom, one media center, three computer labs, an administrative wing, three teacher planning rooms, four multi-user restrooms, one ESE toilet/shower, one ESE time out room and one ESE observation room; and (2) improvements to Central High School including one kitchen/cafeteria which includes a stage and two dressing rooms and one multi-user restroom.

### **DESIGNATED EQUIPMENT**

Certain of the Projects 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, neither the holders of the Series 2019 Certificates nor the holders of the Prior Certificates or any additional Series of Certificates will have rights to the components of any Project constituting Designated Equipment.

### **THE MASTER LEASE PROGRAM**

In order to provide for the lease-purchase financing and refinancing from time to time of Projects, the School Board has authorized the execution and delivery of the Master Lease between the School Board and the Corporation. Projects to be leased from time to time will be identified on separate Lease Schedules to the Master Lease. Upon execution and delivery thereof, each Lease Schedule, together with the provisions of the Master Lease, will constitute a separate Lease Agreement. See "APPENDIX D: MASTER LEASE-PURCHASE AGREEMENT AND FORM OF SERIES 2019 LEASE AGREEMENT."

The Series 2019 Lease Agreement is one of the Lease Agreements entered into under the Master Lease and provides for the leasing of the Series 2019 Project by the Corporation to the School Board. See "THE SERIES 2019 LEASE AGREEMENT" and "THE SERIES 2019 PROJECT." As noted above, the School Board has previously leased the Prior Projects pursuant to Prior Lease Agreements, which were financed from the proceeds of the Outstanding Certificates. The School Board may arrange for one or more lease-purchase financings of additional educational facilities under the Master Lease in future Fiscal Years. See "SECURITY FOR THE SERIES 2019 CERTIFICATES – Additional Leases" and "– Additional Certificates; Outstanding Certificates."

In addition, the School Board may, in the future, also enter into lease-purchase arrangements upon terms and conditions other than those in the Master Lease. Failure to make payments under any such lease agreement, or an event of default under any such lease agreement, will not affect the Lease Term or cause the termination of the Series 2019 Lease Agreement or any other Lease Agreements.

## **THE SERIES 2019 LEASE AGREEMENT**

The following is a brief summary of certain provisions of the Series 2019 Lease Agreement, which is not intended to be definitive. Reference is made to "APPENDIX D: MASTER LEASE-PURCHASE AGREEMENT AND FORM OF SERIES 2019 LEASE AGREEMENT."

### **Authority**

The Series 2019 Lease Agreement is being entered into pursuant to the authority granted under Chapters 1001-1013, Florida Statutes, for the purpose of providing for the acquisition, construction, and lease-purchase financing of the Series 2019 Project.

### **Lease Term**

Under the Series 2019 Lease Agreement, the Corporation is leasing to the School Board, and the School Board is leasing from the Corporation, the Series 2019 Project. The initial term of the Series 2019 Lease Agreement will commence on the delivery date of the Series 2019 Certificates and will continue through and including June 30, 2019, and is automatically renewable annually through June 1, 2044, unless sooner terminated in accordance with the provisions of the Series 2019 Lease Agreement. See "THE SERIES 2019 LEASE AGREEMENT – Termination of Lease Term."

### **Lease Payments**

Subject to the conditions stated in the Series 2019 Lease Agreement, the School Board has expressed its current intent to make all Lease Payments due under the Series 2019 Lease Agreement; PROVIDED, HOWEVER, THAT NONE OF THE SCHOOL BOARD, THE DISTRICT, THE STATE, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF, IS OBLIGATED TO PAY, EXCEPT FROM AVAILABLE REVENUES APPROPRIATED FOR SUCH PURPOSE, ANY SUMS DUE UNDER THE SERIES 2019 LEASE AGREEMENT FROM ANY SOURCE OF TAXATION, AND THE FULL FAITH AND CREDIT OF THE SCHOOL BOARD, THE DISTRICT, THE STATE, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF IS NOT PLEDGED FOR PAYMENT OF SUCH SUMS DUE UNDER THE SERIES 2019 LEASE AGREEMENT, AND THE SUMS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE SCHOOL BOARD, THE DISTRICT, THE STATE, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. All Lease Payments due under the Series 2019 Lease Agreement will be made from current or other funds authorized by law and regulations of the State of Florida Department of Education and appropriated for such purpose by the School Board.

On December 31, 2019, and thereafter on June 30 and December 31 of each year, the Basic Rent Payment Dates preceding each Payment Date, the School Board is required to pay to the Trustee the Basic Rent Payment allocable to the Series 2019 Certificates due on such date, which amount corresponds to the amount due to Series 2019 Certificate holders on the next succeeding Payment Date. The School Board is also required to pay, when due, Supplemental Rent, which include, among other things, the fees and expenses of the Trustee and the Corporation. Lease Payments due under the Series 2019 Lease Agreement may be reduced, when applicable, as described in the Series 2019 Lease Agreement.

### **Assignment of Lease to Trustee**

Pursuant to the Series 2019 Assignment, substantially all right, title, and interest of the Corporation in and to the Series 2019 Ground Lease and in and to the Series 2019 Lease Agreement, including the right to receive Basic Rent Payments thereunder, has been absolutely and unconditionally assigned by the Corporation to the Trustee for the benefit of the owners of the Series 2019 Certificates and any other Certificates representing an undivided proportionate interest in a portion of the Basic Rent Payments payable under the Series 2019 Lease Agreement. The School Board has consented to such assignment.

### **Lease Covenants**

Under the Series 2019 Lease Agreement, the School Board is responsible for the acquisition, construction, and installation of the Series 2019 Project pursuant to the specifications of the School Board, including the letting of all contracts for the acquisition, construction, and installation of the Series 2019 Project. In the Series 2019 Lease Agreement, the School Board covenants that it will: (a) maintain the Series 2019 Project at all times during the Lease Terms in good repair and condition; (b) pay applicable taxes, utility charges, and other governmental charges; and (c) provide applicable insurance coverage, including property and liability insurance, all in accordance with the terms and provisions relating to these requirements, contained in the Series 2019 Lease Agreement.

### **Budget and Appropriation**

The cost and expense of the performance by the School Board of its obligations under the Series 2019 Lease Agreement, the Prior Lease Agreements, and any additional Lease Agreements and the incurrence of any liabilities of the School Board under the Series 2019 Lease Agreement, the Prior Lease Agreements, and any additional Lease Agreements including without limitation, the payment of all Lease Payments and all other amounts required to be paid by the School Board under all Lease Agreements, are subject to and dependent on appropriations being duly made from time to time by the School Board for such purposes. The School Board may not budget and appropriate Available Revenues to make Lease Payments selectively on a Lease Agreement by Lease Agreement basis, but must appropriate such Available Revenues for all Lease Agreements or none of them. Under no circumstances will the failure of the School Board to appropriate sufficient Available Revenues in any Fiscal Year 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 Agreement, including the Series 2019 Lease Agreement.

Unless the School Board, at a public meeting held prior to the end of the then current Fiscal Year, gives notice of its intent not to appropriate the funds necessary to make the Lease Payments coming due in the following Fiscal Year under all Lease Agreements, the Superintendent will include in the Superintendent's tentative budget proposal, in a separate line item, the funds necessary to make such Lease Payments, and all Lease Agreements will be automatically renewed on June 30 of the current Fiscal Year, for the following Fiscal Year, subject to appropriation being made by the School Board in the final adopted budget. If Lease Payments are due during the period prior to the adoption of the School Board's final official budget for an ensuing Fiscal Year, the Lease Term of all Lease Agreements shall be deemed extended only if the tentative budget or extension of the prior budget (whether by School Board action or operation of law) makes available to the School Board monies which may be legally used to make the Lease Payments due under all Lease Agreements during such period. If no such appropriation is made in the budget as finally adopted or if no official budget is adopted as of the last day on which a final budget is required to have been adopted under applicable law and regulations, all Lease Agreements will

terminate as of the date of adoption of the final official budget or the last date on which a final budget is required to have been adopted, whichever is earlier, and under which no appropriation has been made.

If the School Board declares its intent at such public meeting prior to the end of the then current Fiscal Year not to appropriate the funds necessary to make Lease Payments under all Lease Agreements, no Lease Agreements will be automatically renewed for the following Fiscal Year, but will terminate on June 30 of the current Fiscal Year. For a discussion of the effect of termination of the Lease Term of the Lease Agreements, see "THE SERIES 2019 LEASE AGREEMENT – Effect of Termination for Non-Appropriation or Default."

### **Termination of Lease Term**

The Lease Term of each Lease Agreement, including the Series 2019 Lease Agreement, will terminate upon the earliest of any of the following events:

- (a) each Lease Agreement will terminate on the latest Basic Rent Payment Date set forth in any Lease Agreement;
- (b) all Lease Agreements will terminate in the Event of Non-Appropriation of funds for the payment of Lease Payments; and
- (c) all Lease Agreements will terminate upon a Default by the School Board with respect to any Lease Agreement and the termination of the Lease Term of all Lease Agreements by the Trustee pursuant to the Master Lease.

### **Effect of Termination for Non-Appropriation or Default**

Upon termination of the Lease Term for the reasons referred to in (b) or (c) under "THE SERIES 2019 LEASE AGREEMENT – Termination of Lease Term," the School Board is required to surrender and transfer possession of all the Projects financed under all Lease Agreements (except for certain Designated Equipment) to the Trustee in the condition, state of repair, and appearance required under the Lease Agreements and in accordance with the Trustee's instructions. Upon such surrender, the Trustee (or other transferee) will attempt to sell or re-let its interest in such Projects in such manner and to such person or persons for any lawful purpose or purposes as it, in its sole discretion, determines to be appropriate. The Trustee will pursue such rights and remedies as directed by the Owners of a majority in aggregate principal amount of the Series 2019 Certificates. The proceeds, if any, derived from any such sale or re-letting of the School Board's leasehold interest in such Projects will be applied first to the payment of the fees and expenses of the Trustee, second to payment in full of the Series of Certificates relating to such Projects, and then to the payment of other outstanding amounts as described in said Lease Agreement(s), all in accordance with the terms of the Series 2019 Lease Agreement. With respect to the Series 2019 Lease Agreement and Series 2019 Certificates, the School Board may not be dispossessed of any Designated Equipment financed, in whole or in part, with the proceeds of the Series 2019 Certificates. See "RISK FACTORS – Limitation Upon Disposition; Ability to Sell or Relet." IN NO EVENT WILL OWNERS OF THE SERIES 2019 CERTIFICATES HAVE ANY INTEREST IN OR RIGHT TO ANY PROCEEDS OF THE DISPOSITION OF PROJECTS FINANCED OR REFINANCED WITH THE PROCEEDS OF ANOTHER SERIES OF CERTIFICATES EXCEPT FOR ANY CERTIFICATES ISSUED TO REFUND SERIES 2019 CERTIFICATES.

For a discussion of the remedies available to the Trustee if the School Board refuses or fails to voluntarily deliver possession of the Projects to the Trustee, see "APPENDIX D: MASTER LEASE-PURCHASE AGREEMENT AND FORM OF SERIES 2019 LEASE AGREEMENT."

There can be no assurance that the remedies available to the Trustee upon any termination of the Lease Term of all Lease Agreements for non-appropriation or default and the disposition of the Series 2019 Project will produce sufficient amounts to pay the Series 2019 Certificates. Federal income tax status of payments made to Series 2019 Certificate holders after such termination may also be adversely affected. See "TAX MATTERS." Further, after such termination of the Lease Term of all Leases, transfer of Series 2019 Certificates may be subject to the registration provisions of applicable federal and state securities laws. Accordingly, there is no assurance that liquidity of the Series 2019 Certificates will not be impaired following termination of the Lease Term of the Leases. See "RISK FACTORS."

### **THE CORPORATION**

The Corporation is a Florida not-for-profit corporation formed in 1996 to assume the duties and obligations theretofore undertaken by the Association, as lessor in connection with "lease-purchase" capital financings for the School Board. Pursuant to a resolution of the School Board, the School Board directed the Association to assign the Master Lease and all of its rights, obligations and duties thereunder to the Corporation. The Corporation may in the future initiate additional Lease Schedules under the Master Lease, enter into other lease-purchase agreements with the School Board and cause certificates of participation to be issued which represent lease payments to be made under one or more lease-purchase agreements with the School Board. The members of the Corporation are the members of the School Board. The Chairperson of the School Board serves as Chairperson of the Board of Directors and President of the Corporation; the Vice Chairperson of the School Board serves as Vice Chairperson of the Board of Directors and Vice President of the Corporation; the Superintendent of the School Board serves as ex-officio Secretary of the Corporation; and the Chief Financial Officer of the School Board serves as the Treasurer of the Corporation. There is no litigation presently pending against the Corporation.

The Corporation has assigned all of its right, title and interest in and to the Master Lease (except certain indemnification rights, the right to initiate additional Lease Schedules from time to time and its obligation not to impair the tax status of the Certificates) including its right to receive Lease Payments from the School Board, its right, title and interest in and to the Ground Leases, and its right to use, sell and re-let Projects, to the Trustee. The Trustee directly collects from the School Board all of the Basic Rent Payments which are the source of and security for payment of the Certificates. Therefore, the credit of the Corporation is not material to any of the transactions contemplated in this Offering Statement. No financial information concerning the Corporation has been included herein, nor is it contemplated that any such financial information will be included in any future Offering Statement relating to the sale of any additional Series of Certificates or other obligations of the School Board or the Corporation.

There is no litigation pending against the Corporation.

## ESTIMATED SOURCES AND USES OF FUNDS

### SOURCES OF FUNDS:

Par Amount of Series 2019 Certificates	\$ _____
[Plus/Minus][Net] Original Issue [Premium][Discount]	_____
Total Sources	\$ _____

### USES OF FUNDS:

Deposit to Series 2019 Subaccount of the Project Account	\$ _____
Deposit to Series 2019 Subaccount of the Costs of Issuance Account <sup>(1)</sup>	_____
Total Uses	\$ _____

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<sup>(1)</sup> Includes, without limitation, Underwriters' discount, legal, accounting and financial advisory fees, printing costs, [the Policy premium, if any,] and other costs associated with the issuance of the Series 2019 Certificates.

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## CERTIFICATE PAYMENT SCHEDULE

Payment requirements <sup>(1)</sup> of the Outstanding Certificates and the Series 2019 Certificates are as follows:

Year Ending <u>February 1</u>	Series 2009 <u>Certificate</u>	Series 2014 <u>Certificates</u>	<u>Series 2019 Certificates</u>			<u>Total Combined Annual Payments</u>
			<u>Principal Component</u>	<u>Interest Component</u>	<u>Debt Service</u>	
2020	\$1,139,751	\$2,136,300				
2021	1,142,966	2,135,800				
2022	1,139,538	2,112,050				
2023	1,139,671	621,050				
2024	1,138,160	2,176,050				
2025	1,140,005	2,173,300				
2026		2,176,800				
2027		2,176,050				
2028		2,171,050				
2029		2,176,800				
2030		2,177,550				
2031		1,030,000				
2032						
2033						
2034						
2035						
2036						
2037						
2038						
2039						
2040						
2041						
2042						
2043						
2044						
Total <sup>(1)</sup>	\$6,840,091	\$23,262,800				

<sup>(1)</sup> Numbers may not add due to rounding.

## THE SCHOOL DISTRICT OF SANTA ROSA COUNTY, FLORIDA

### General

The School Board is organized under Section 4, Article IX, of the Constitution of Florida and Chapter 1001, Florida Statutes, as amended, and is the governing body of the School District of Santa Rosa County, Florida (the "District"). The geographic boundaries of the District are coterminous with those of the County. For Fiscal Year 2018-19, the District has budgeted for the operation of 32 schools with 27,851 students (unweighted full time equivalent ("FTE")) and, the employment of approximately 3,078 permanent employees, of which 2,042 are certified teaching personnel. Management of the schools within the District is independent of the County and any city governments. The School Board is authorized by State law to levy property taxes for school district operations, capital improvements and debt service. Property taxes are assessed by the Santa Rosa County Property Appraiser (the "Property Appraiser"). The Santa Rosa County Tax Collector (the "Tax Collector") collects taxes for the School Board, but exercises no control over expenditures by the School Board.

### The Organization and Powers of the School Board

The School Board is a body corporate existing under the laws of the State. The School Board is the governing body of the District, consisting of members elected County-wide 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 but not limited to, 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 offices, if any, and the expiration of their respective terms are as follows:

<u>Name/Office</u>	<u>Term Expires</u>
Carol Boston, Chairperson	November 2022
Clifton L. Hinote, Vice Chairperson	November 2020
Jennifer Granse	November 2020
Linda Sanborn	November 2022
Wei Ueberschaer	November 2022

### Superintendent of Schools

The Superintendent of Schools is the chief executive officer and secretary of the School Board. The Superintendent, who is elected by the citizens, oversees operations of the school system, makes policy recommendations to the School Board, and performs the duties assigned to him by law and the

regulations of the State Department of Education ("FDOE"). The Superintendent is elected for a four-year term, with the current term expiring in November 2020.

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.

Tim Wyrosdick has served as the Superintendent for the District since November, 2008. Prior to his serving as Superintendent, Mr. Wyrosdick served as a Principal for three years and as Assistant Superintendent for Curriculum and Instruction for over three years. He has also served as an Instructor, a Dean and an Assistant Principal for the District. Mr. Wyrosdick has announced that he does not intend to seek reelection as Superintendent after his current term of office expires in November 2020.

### **Administration**

Joseph B. Harrell was appointed Assistant Superintendent for Administrative Services in January 1, 2009. Prior to his appointment, Mr. Harrell served as Santa Rosa School Districts Director of Administrative Services from July 2006 to December 2008, Assistant Principal at Sims Middle School from July 1999 to July 2006, and a Math teacher at various schools in the district from January 1991 to July 1999. He has served in one of the capacities in the Santa Rosa School District for his entire 28 year career.

M. Susan McCole was appointed Assistant Superintendent for Finance in July, 2011. Prior to her appointment, Ms. McCole served as an Accountant for the District for eight years and as an Accounting Supervisor for four years. She has worked in public accounting for five years and as an Auditor for the State of Florida for six years before joining the District.

### **Employee Relations**

The professional staff of the District includes teachers, supervisors, analysts, specialists and administrators. Other personnel include teachers' aides, clerks and secretaries, bus drivers, cafeteria personnel, custodial and maintenance workers and mechanics. As of April 22, 2019, the School Board employs approximately 3,078 employees. Approximately 2,048 instructors are represented by the Santa Rosa Professional Educators which is affiliated with Florida Education Association-United, AFT, and AFCIA (the "Association"). The three year contract between the School Board and the Association expires August 10, 2020. Approximately 809 support personnel of the District are represented by the Santa Rosa Education Association which is affiliated with AFT and NEA. The three year contract between the School Board and the Union expires June 30, 2021. Approximately 79 "blue collar employees" of the District are represented by the Carpenters Industrial Council, United Brotherhood of Carpenters and Joiners of America (the "Union"). The three year contract between the School Board and the Union expires June 30, 2020. State law requires operating under the current contract until a new contract has been negotiated and approved, and prevents public employees and employee organizations from conducting a strike or instigating a strike against a public employer.

### **Academics**

For the Fiscal Year 2018-19, the School Board operates (i) 16 elementary schools comprised of students in 3 kindergarten through second grade schools, two kindergarten through sixth grade schools,

three third through fifth grade schools and eight kindergarten through fifth grade schools, (ii) seven middle schools comprised of the sixth, seventh and eighth grades, and (iii) four high schools, which include ninth through twelfth grades and one high school which includes seventh through twelfth grade, and (iv) one pre-kindergarten school, one adult education school, one pre-kindergarten through twelfth grade school and one vocational school. In addition, there are two charter schools that are reported as component units of the District.

The elementary school program emphasizes basic skills including reading, writing, language arts, and mathematics. The balanced curriculum 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 of achievement before promotion to the next grade.

The middle school curriculum is centered 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.

## **Budget Process**

State law requires the School Board to adopt in each Fiscal Year a tentative budget and a final budget, each of which is required to be balanced with available funds. The Superintendent, with input from staff, principals, the Budget Committee and interested community groups, prepares and submits to the School Board a recommended budget. The School Board adopts the recommended budget, with such modifications, as it deems necessary, as the tentative budget for the District. After public hearings on the tentative budget, the School Board adopts a final budget and forwards it to the Florida Department of Education. When approved by the Florida Department of Education, the final budget is designated as the official budget and governs the general operations for the Fiscal Year, unless subsequently amended by the School Board. See "AD VALOREM TAXATION – Millage Set by Local Governing Body."

## **Certain Statistical Information**

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<sup>(1)</sup></u>	<u>District School FTE Students<sup>(1)</sup></u>	<u>Average Expenditure per FTE Student</u>
2018-2019	32	2,042	27,851	7,346
2017-2018	32	1,994	27,708	7,133
2016-2017	32	1,902	26,422	7,300
2015-2016	32	1,871	26,115	7,478
2014-2015	32	1,797	25,652	6,651

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<sup>(1)</sup> Does not include charter schools.

*Source: School District of Santa Rosa County, Florida, Finance Department.*

The following table presents the projected full time equivalent enrollment of the District for the School Years 2019-20 through 2023-24:

School Year	Estimated District School FTE Students
2019-20	28,359
2020-21	28,844
2021-22	29,466
2022-23	29,873
2023-24	30,370

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*Source: State of Florida Office of Economic & Demographic Research, Conference Report for Pre-K-12 Enrollment Education Estimating Conference, Florida School District Programs Unweighted Full-Time Equivalent (FTE) Student Enrollment, February 15, 2019.*

## **FINANCIAL RESULTS AND LIABILITIES OF THE DISTRICT**

The following briefly describes financial results of the District and certain District liabilities. For additional information concerning such matters, see "APPENDIX B: SANTA ROSA COUNTY DISTRICT SCHOOL BOARD FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018."

### **Accounting and Funds**

Pursuant to Section 11.45, Florida Statutes, as amended, the financial operations of the District are subject to audit by independent auditors of the District at least two out of every three fiscal years with the Auditor General's office auditing the financial operations of the District once every three fiscal years. The District retained the independent accounting firm of Carr, Riggs & Ingram, LLC to audit its financial operations, whose report for the Fiscal Year ended June 30, 2018 is attached hereto as part of "APPENDIX B: SANTA ROSA COUNTY DISTRICT SCHOOL BOARD FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018" attached hereto.

Accounting policies conform with generally accepted accounting principles applicable to state and local governmental units. Accordingly, the District's accounting system is organized on the basis of funds and account groups. A fund is an accounting entity having a self-balancing set of accounts for recording assets, liabilities, fund equity, revenues, either expenditures or expenses depending on fund type, and other financing sources and uses.

The fund financial statements provide information about the School Board's funds, including its fiduciary funds and blended component units. Separate statements for each fund category – government and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds. Because the focus of the governmental fund financial statements differs from the focus of the government-wide financial statements, a reconciliation is presented with each of the governmental fund financial statements.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as investment earnings, result from non-exchange transactions or ancillary activities.

### **Governmental Fund Types**

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.

Capital Projects – Local Capital Improvement 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, new and replacement equipment, and debt service payments on certificates of participation.

Capital Projects – Other – to account for the various financial resources (e.g., certificates of participation, capital outlay sales tax, hurricane-related loss recoveries) to be used for educational capital outlay needs, including new construction, renovation and remodeling projects.

### **Other Fund Types**

Additionally, the District reports the following proprietary and fiduciary fund types:

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

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

### **Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized in the year for which they are levied. Revenues from grants, entitlements, and donations are recognized as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues, except for certain grant revenues, are recognized when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers revenues to be available if they are collected within 30 days of the end of the fiscal year. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenue is recognized at the time the expenditure is made. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 30 days of year-end). Expenditures are generally recognized when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures, claims and judgments, other postemployment benefits and compensated absences, are only recorded when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources. Allocations of cost, such as depreciation, are not recognized in governmental funds.

### **Auditing System**

In addition to local internal audits, other budget reviews are conducted Florida Department of Education conducts regular financial compliance reviews of each school district to ensure that local school districts comply with state regulations. In conjunction with this review, the Financial Management Section of the Florida Department of Education reviews the cost reporting system of each school 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 Operations**

The School Board's general fund revenues are derived from federal and State appropriations and local sources. The table on the following page summarizes results of operations for the general fund for the Fiscal Years 2013-14 through 2017-18, audited, and for Fiscal Year 2018-19, budgeted.

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## Summary of Revenues and Expenses – General Fund

Fiscal Year Ended	Audited					Budgeted
	2014	2015	2016	2017	2018	2019
<b>REVENUES:</b>						
Federal Direct	\$581,403	\$479,766	\$564,860	\$497,224	\$560,130	\$560,130
Federal Through State and Local	614,463	1,064,010	1,192,718	1,216,526	1,249,744	1,052,504
State Sources	116,940,119	124,459,797	136,167,621	144,133,897	153,974,743	157,259,032
Local Sources	59,235,884	57,628,398	59,226,021	54,010,159	54,535,448	53,452,968
<b>TOTAL REVENUES<sup>(1)</sup></b>	<b>\$177,371,869</b>	<b>\$183,631,971</b>	<b>\$197,151,220</b>	<b>\$199,857,806</b>	<b>\$210,320,065</b>	<b>\$212,324,904</b>
<b>EXPENDITURES:</b>						
Current:						
Instruction	\$111,147,792	\$115,842,184	\$124,710,741	\$124,551,316	\$137,294,207	\$138,602,337
Student Personnel Services	7,598,892	7,877,527	7,090,905	6,842,720	8,019,670	12,873,834
Instructional Media Services	2,329,083	2,362,850	2,201,346	1,985,543	2,011,132	2,226,526
Instructional and Curriculum Development	2,909,800	3,344,086	3,488,780	3,514,570	3,938,229	4,486,177
Instructional Staff Training Services	719,592	819,675	1,265,154	2,155,591	1,801,202	2,516,256
Instruction Related Technology	4,063,310	4,699,387	4,587,207	5,289,945	5,473,568	5,699,541
Board of Education	515,723	579,179	541,401	737,216	584,881	744,640
General Administration	657,778	750,157	741,701	740,226	752,353	865,593
School Administration	12,518,202	13,194,388	13,773,461	13,902,427	14,537,273	14,194,232
Facilities Acquisition and Construction	17,030	39,022	49,122	4,120	1,789	13,288
Fiscal Services	1,096,571	1,130,518	1,231,793	1,145,919	1,259,857	1,300,050
Food Services	--	--	--	--	--	--
Central Services	2,337,076	2,376,937	2,112,121	2,352,322	2,557,770	2,710,239
Student Transportation Services	12,412,917	12,005,849	11,740,295	11,832,257	12,312,010	14,012,597
Operation of Plant	12,273,347	12,956,288	12,835,748	13,150,563	13,424,560	13,727,814
Maintenance of Plant	3,774,631	3,986,061	3,757,454	3,637,338	3,767,536	4,134,892
Administrative Technology Services	1,599,108	1,701,604	1,893,925	2,028,638	2,406,856	2,472,435
Community Services	1,687,319	1,620,978	1,713,257	1,809,827	1,981,191	1,062,147
Fixed Capital Outlay:						
Facilities Acquisition and Construction	45,737	36,002	107,916	28,676	8,806	--
Other Capital Outlay	953,652	665,182	1,442,339	980,674	1,582,700	--
Debt Service:						
Retirement of Principal	--	--	--	--	--	--
Interest and Fiscal Charges	--	--	--	--	--	--
<b>TOTAL EXPENDITURES<sup>(1)</sup></b>	<b>\$178,657,560</b>	<b>\$185,987,874</b>	<b>\$195,284,676</b>	<b>\$196,689,888</b>	<b>\$213,715,590</b>	<b>\$221,642,593</b>
Excess (Deficiency) of Revenues						
Over Expenditures	\$(1,285,691)	\$(2,355,903)	\$1,866,544	\$3,167,918	\$(3,395,525)	\$(9,317,694)
<b>OTHER FINANCING SOURCES (USES):</b>						
Operating Transfers In	\$4,292,491	\$4,252,121	\$4,244,755	\$5,302,565	\$5,782,472	\$5,778,623
Insurance Loss Recoveries	30,844	47,371	23,926	33,625	31,450	20,000
Operating Transfers Out	(338,725)	(326,036)	(2,608,241)	(3,319,026)	(288,255)	(276,901)
<b>TOTAL OTHER FINANCING SOURCES (USES)<sup>(1)</sup></b>	<b>\$3,984,610</b>	<b>\$3,973,456</b>	<b>\$1,660,440</b>	<b>\$2,017,164</b>	<b>\$5,525,667</b>	<b>\$5,521,722</b>
<b>Net Change in Fund Balances</b>	<b>\$2,698,919</b>	<b>\$1,617,553</b>	<b>\$3,526,984</b>	<b>\$5,185,082</b>	<b>\$2,130,142</b>	<b>\$(3,795,966)</b>
<b>FUND BALANCES, Beginning</b>	<b>\$15,118,178</b>	<b>\$17,817,097</b>	<b>\$19,434,650</b>	<b>\$22,961,634</b>	<b>\$28,146,716</b>	<b>\$30,276,858</b>
<b>FUND BALANCES, Ending<sup>(1)</sup></b>	<b>\$17,817,097</b>	<b>\$19,434,650</b>	<b>\$22,961,634</b>	<b>\$28,146,716</b>	<b>\$30,276,858</b>	<b>\$26,480,892</b>
Nonspendable	111,161	106,842	39,160	129,381	117,474	132,404
Restricted	3,161,176	3,006,365	2,767,884	6,373,447	6,830,380	4,766,560
Committed	1,762,162	1,008,071	1,235,991	4,521,088	4,757,905	4,501,752
Assigned	1,437,985	393,874	595,417	874,146	721,781	662,022
Unassigned	11,344,611	14,919,499	18,323,182	16,248,654	17,849,318	16,418,153



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<sup>(1)</sup> Totals may not add due to rounding.

*Sources: Financial Statements and Supplementary Information for the Fiscal Years ended June 30, 2014 and 2015 and June 30, 2017 and 2018, as audited by Carr Riggs & Ingram, LLC; School Board of Santa Rosa County, Florida, State of Florida Auditor General Financial, Operational and Federal Single Audit for the Fiscal Year ended June 30, 2016; and Annual Budget Report for the Fiscal Year ended June 30, 2019; with respect to categories of ending Fund Balances, the School District of Santa Rosa County, Florida, Finance Department.*

### **Required General Fund Balance**

Section 1011.051, Florida Statutes, entitled "Guidelines for general funds" requires that if a school district's General Fund balance not classified as restricted, committed or nonspendable in the approved operating budget is projected to fall below 3% of projected General Fund revenues, the Superintendent shall provide written notification to the district school board and the Commissioner of Education (the "Commissioner"). The section further requires that if the General Fund balance not classified as restricted, committed or nonspendable is projected to fall below 2% of projected General Fund revenues, the Superintendent shall provide written notification to the district school board and the Commissioner of Education. Within 14 days after receiving such notification of a balance below 2%, if the Commissioner determines that the district does not have a plan that is reasonably anticipated to avoid a financial emergency as determined pursuant to Florida Statutes pertaining thereto, the Commissioner shall appoint a financial emergency board that may take certain delineated steps to assist a district school board in complying with the General Fund requirements. The table below shows the assigned and unassigned fund balances and percentage of General Fund revenues for the Fiscal Years 2013-14 through 2018-19:

#### **Assigned and Unassigned Fund Balance for the District's General Fund**

<b>Fiscal Year Ended June 30</b>	<b>Assigned and Unassigned General Fund Balance</b>	<b>Percentage of General Fund Revenues</b>
2014	\$12,782,596	7.21%
2015	15,313,373	8.34
2016	18,918,599	9.60
2017	17,122,800	8.57
2018	18,571,099	8.83
2019 <sup>(1)</sup>	17,808,175	8.04

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<sup>(1)</sup> Budgeted.

*Source: School District of Santa Rosa County, Florida, Finance Department.*

### **Capital Project Funds Operations**

The table on the following page summarizes results of operations for the capital project funds for the Fiscal Years 2013-14 through 2017-18, audited, and for Fiscal Year 2018-19, budgeted.

**Summary of Revenues and Expenses – Capital Projects Funds<sup>(1)</sup>**

	Fiscal Year Ended					Budget
	Audited					
	2014	2015	2016	2017	2018	
REVENUES						
State Sources	\$136,205	\$116,559	\$85,229	\$235,733	\$109,989	\$17,533
Local Sources	19,864,295	20,372,808	21,400,442	21,889,094	22,711,787	23,012,079
TOTAL REVENUES <sup>(2)</sup>	\$20,000,500	\$20,489,367	\$21,485,671	\$22,124,827	\$22,821,776	\$23,029,612
EXPENDITURES						
Current – Education:						
Facilities Acquisition and Construction	\$532,359	\$905,821	\$331,070	\$516,679	\$169,202	
Maintenance of Plant	2,279,707	1,810,963	1,606,681	1,911,226	2,044,900	
Fixed Capital Outlay:						
Facilities Acquisition and Construction	12,005,221	10,268,531	9,374,058	7,390,419	14,269,577	\$29,858,238
Other Capital Outlay	357,608	257,893	168,204	434,607	484,385	
Debt Service						
Principal	--	--	--	--	--	--
Interest and Fiscal Charges	--	--	--	--	--	--
TOTAL EXPENDITURES <sup>(2)</sup>	\$15,174,895	\$13,243,208	\$11,480,013	\$10,252,931	\$16,968,064	\$29,858,238
Excess (Deficiency) of Revenues Over Expenditures <sup>(2)</sup>	\$4,825,605	\$7,246,159	\$10,005,657	\$11,871,896	\$5,853,712	\$(6,628,626)
OTHER FINANCING SOURCES (USES)						
Transfers In	--	--	--	--	--	--
Sale of Capital Assets	--	--	--	--	\$125,001	--
Insurance Loss Recovers	--	\$1,169,480	\$32,895	\$101,724	147,471	--
Transfers Out	\$(7,859,041)	(7,689,455)	(7,657,153)	(8,770,462)	(8,316,298)	\$(12,222,970)
TOTAL OTHER FINANCING SOURCES (USES) <sup>(2)</sup>	\$(7,859,041)	\$(6,519,975)	\$(7,624,258)	\$(8,668,738)	\$(8,043,826)	\$(12,222,970)
Net Change in Fund Balances <sup>(2)</sup>	\$(3,033,436)	\$726,184	2,381,400	\$3,203,158	\$(2,190,114)	\$(19,051,596)
FUND BALANCES, Beginning	\$20,008,301	\$16,974,865	\$17,701,049	\$20,082,450	\$23,285,608	\$21,095,494
FUND BALANCE, Ending	\$16,974,865	\$17,701,049	\$20,082,450	\$23,285,608	\$21,095,494	\$2,043,898

<sup>(1)</sup> Includes both of the funds: Capital Projects – Local Capital Improvement Fund and the Capital Projects – Other Fund.

<sup>(2)</sup> Totals may not add due to rounding.

*Sources: Financial Statements and Supplementary Information for the Fiscal Years ended June 30, 2014 and 2015 and June 30, 2017 and 2018, as audited by Carr Riggs & Ingram, LLC; School Board of Santa Rosa County, Florida, State of Florida Auditor General Financial, Operational and Federal Single Audit for the Fiscal Year ended June 30, 2016; and Annual Budget Report for the Fiscal Year ended June 30, 2019.*

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## Long-Term Debt

(As of February 1, 2019)	Non-Self Supporting Revenue Debt	Self-Supporting Revenue Debt
State Board of Education Capital Outlay:		
Revenue Bonds <sup>(1)</sup>		
Series 2009A, Refunding	\$50,000	
Series 2010A	870,000	
Series 2011A, Refunding	220,000	
Series 2014A, Refunding	230,000	
Series 2014B, Refunding	25,000	
Series 2017A, Refunding	150,000	
Series 2005, Refunding		
Certificates of Participation: <sup>(2)</sup>		
Series 2009	5,955,000	
Series 2014	17,760,000	
Total Long-Term Debt	\$25,260,000	\$0.00

- <sup>(1)</sup> These bonds are issued by the Board of Education on behalf of the District. The bonds mature serially 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 pledged for all of these bonds. The Board of Education and the State Board of Administration administer principal and interest payments, investment of debt service fund resources, and compliance with reserve requirements.
- <sup>(2)</sup> Represents payments under lease-purchase agreements which are subject to annual renewal by the School Board and do not constitute long-term debt.

*Source: School Board of Santa Rosa County, Florida and Financial Statements and Supplementary Information for the Fiscal Year ended June 30, 2018, as audited by Carr Riggs & Ingram, LLC.*

## Retirement and Other Post Employment Benefit Programs

Essentially all regular employees of the District are eligible to enroll as members of the Florida Retirement System (the "FRS"). The FRS is a single retirement system administered by the Department of Management Services ("DMS"), and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (the "FRS Pension Plan"), a Deferred Retirement Option Program (the "DROP"), a Retirement Health Insurance Subsidy Plan (the "HIS Plan"), and a defined-contribution plan, referred to as the Florida Retirement System Investment Plan (the "Investment Plan"). A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, information about the FRS's fiduciary net position, and other relevant information, is available from the DMS at: [www.dms.myflorida.com](http://www.dms.myflorida.com).

### FRS Pension Plan.

Plan Description. The FRS Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with the DROP for eligible employees. The general classes of membership are as follows:

- *Regular Class* – members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers Class* – members who hold specified elective offices in local government.

Employees enrolled in the FRS Pension Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the FRS Pension Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the FRS Pension Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Members of the FRS Pension Plan may include up to four years of credit for military service toward creditable service. The FRS Pension Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Pension Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

The DROP permits employees eligible for normal retirement under the FRS Pension Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in the DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS trust fund and accrue interest. The net pension liability does not include amounts for the DROP participants, as these members are considered retired and are not accruing additional pension benefits.

*Benefits Provided.* Benefits under the FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest Fiscal Years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest Fiscal Years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

If the member is initially enrolled in the FRS Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is three percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent. FRS Pension Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions. The State Legislature establishes contribution rates for participating employers and employees. Contribution rates during the Fiscal Year 2017-18 were as follows:

	Percent of Gross Salary	
	Employee	Employer <sup>(1)</sup>
FRS, Regular	3.00%	7.92%
FRS, Elected County Officers	3.00	45.50
DROP – Applicable to Members from All of the Above Classes	0.00	13.26
FRS, Reemployed Retiree	(2)	(2)

<sup>(1)</sup> Employer rates include 1.66 percent for the postemployment health insurance subsidy. Also, employer rates, other than for the DROP participants, include 0.06 percent for administrative costs of the Investment Plan.

<sup>(2)</sup> Contribution rates are dependent upon retirement class in which reemployed.

*Source: Financial Statements and Supplementary Information for the Fiscal Year ended June 30, 2018, as audited by Carr Riggs & Ingram, LLC.*

The District's contributions, including employee contributions, to the FRS Pension Plan for the Fiscal Years 2013-14, 2014-15, 2015-16, 2016-17, and 2017-18 totaled \$8,659,576, \$7,137,278, \$6,924,790, \$6,898,970, and \$7,769,406, respectively, which were equal to the required contributions for each Fiscal Year.

Pension Liability. At June 30, 2018, the District reported a liability of \$78,389,399 for its proportionate share of the FRS Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The District's proportionate share of the net pension liability was based on the District's contributions for the Fiscal Year 2017-18 relative to the Fiscal Year 2016-17 contributions of all participating members. At June 30, 2017, the District's proportionate share was 0.26501 percent, which was a decrease of the proportionate share of 0.01894 percent measured as of June 30, 2016. Below is a schedule of the District's proportionate share of net pension liability for the FRS Plan:

	2017	2016	2015	2014	2013
District's proportion of the FRS net pension liability	0.26501%	0.28396%	0.29274%	0.30137%	0.29840%
District's proportionate share of the FRS net pension liability	\$78,389,399	\$71,699,838	\$37,811,446	\$18,387,792	\$51,368,573
District's covered employee payroll	\$120,728,089	\$123,528,778	\$114,639,462	\$113,783,755	\$114,789,889
District's proportionate share of the FRS net pension liability as a percentage of its covered employee payroll	64.93%	58.04%	32.98%	16.16%	44.75%
FRS plan fiduciary net position as a	83.89%	84.88%	92.00%	96.09%	88.54%

percentage of total pension liability

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Source: *Financial Statements and Supplementary Information for the Fiscal Year ended June 30, 2018, as audited by Carr Riggs & Ingram, LLC.*

See "APPENDIX B: SANTA ROSA COUNTY DISTRICT SCHOOL BOARD FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018" for information on the District's FRS Pension Plan expense and reported deferred outflows and inflows of resources.

Actuarial Assumptions. The total pension liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	2.60 percent
Salary Increases:	3.25 percent, average, including inflation
Investment rate of return:	7.10 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB. The actuarial assumptions used in the July 1, 2017, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013. See "APPENDIX B: SANTA ROSA COUNTY DISTRICT SCHOOL BOARD FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018" for information on the long-term expected rate of return on FRS Pension Plan investments.

Discount Rate. The discount rate used to measure the total pension liability was 7.10 percent. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.10 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
District's proportionate share of the net pension liability	\$141,880,076	\$78,389,399	\$25,677,589

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Source: *Financial Statements and Supplementary Information for the Fiscal Year ended June 30, 2018, as audited by Carr Riggs & Ingram, LLC.*

For additional information on the FRS Pension Plan, see "APPENDIX B: SANTA ROSA COUNTY DISTRICT SCHOOL BOARD FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018."

#### HIS Plan.

Plan Description. The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Division of Retirement within the DMS.

Benefits Provided. For the Fiscal Year 2017-18, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the State Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the Fiscal Year 2017-18, the contribution rate was 1.66 percent of payroll. The District contributed 100 percent of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled. The District's contributions to the HIS Plan totaled \$2,131,170 for the Fiscal Year 2017-18.

Pension Liabilities. At June 30, 2018, the District reported a net pension liability of \$40,487,029 for its proportionate share of the HIS Plan's net pension liability. The current portion of the net pension liability is the District's proportionate share of benefit payments expected to be paid within one year, net of the District's proportionate share of the pension plan's fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The District's proportionate share of the net pension liability for the HIS Plan was based on the District's contributions for the Fiscal Year 2016-17 relative to the total contributions of all participating members for the Fiscal Year 2016-17. At June 30, 2017, the District's proportionate share was 0.37865 percent, which was a decrease from its proportionate share of 0.01919 percent measured as of June 30, 2016. Below is a schedule of the District's proportionate share of net pension liability for the HIS Plan:

	2017	2016	2015	2014	2013
District's proportion of the HIS net pension liability	0.37865%	0.39784%	0.37784%	0.38295%	0.38369%
District's proportionate share of the HIS net pension liability	\$40,487,029	\$46,366,688	\$38,533,451	\$35,806,848	\$33,405,580
District's covered employee payroll	\$120,728,089	\$123,528,778	\$114,639,462	\$113,783,755	\$114,789,889
District's proportionate share of the HIS net pension liability as a percentage of its covered employee payroll	33.54%	37.54%	33.61%	31.47%	29.10%
HIS plan fiduciary net position as a percentage of the total pension liability	1.64%	0.97%	0.50%	0.99%	1.78%

*Source: Financial Statements and Supplementary Information for the Fiscal Year ended June 30, 2018, as audited by Carr Riggs & Ingram, LLC.*

See "APPENDIX B: SANTA ROSA COUNTY DISTRICT SCHOOL BOARD FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018" for information on the District's HIS Plan expense and reported deferred outflows and inflows of resources.

Actuarial Assumptions. The total pension liability in the July 1, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflation
Municipal Bond Rate	3.58 percent

Mortality rates were based on the Generational RP-2000 with Projected Scale BB. While an experience study had not been completed for the HIS Plan, the FRS Actuarial Assumptions Conference reviewed the actuarial assumptions for the HIS Plan. The HIS Plan is essentially funded on a pay-as-you-go basis. As such, there is no assumption for a long-term expected rate of return on a portfolio, no assumptions for cash flows into and out of the pension plan, or assumed asset allocation.

Discount Rate. The discount rate used to measure the total pension liability was 3.58 percent. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 3.58 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.58 percent) or 1-percentage-point higher (4.58 percent) than the current rate:

	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
District's proportionate share of the net pension liability for the HIS Plan	\$46,201,062	\$40,487,029	\$35,727,556

*Source: Financial Statements and Supplementary Information for the Fiscal Year ended June 30, 2018, as audited by Carr Riggs & Ingram, LLC.*

#### Investment Plan.

The Investment Plan is administered by the State Board of Administration (the "SBA"). The Investment Plan is reported in the SBA's annual financial statements and in the State's Comprehensive Annual Financial Report. Service retirement benefits are based upon the value of the member's account upon retirement.

Eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS Pension Plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the State Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan



members. Allocations to the investment member's accounts during the Fiscal Year 2017-18 were as follows:

	<u>Percent of Gross Salary</u>
FRS, Regular	6.30%
FRS, Elected County Officers	11.34

*Source: Financial Statements and Supplementary Information for the Fiscal Year ended June 30, 2018, as audited by Carr Riggs & Ingram, LLC.*

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five year period, the employee will regain control over their account. If the employee does not return within the five year period, the employee will forfeit the accumulated account balance.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The District's Investment Plan pension expense totaled \$2,191,607 for the Fiscal Year ended June 30, 2018.

#### Other Post Employment Benefit Program.

Plan Description. The Postemployment Health Care Benefits Plan (the "OPEB") is a single-employer defined benefit plan administered by the District. Pursuant to the provisions of Section 112.0801, Florida Statutes, employees who retire from the District are eligible to participate in the District's health and hospitalization plan for medical, prescription drug, dental and life insurance coverage. The District subsidizes the premium rates paid by retirees by allowing them to participate in the plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the OPEB on average than those of active employees. The District does not offer any explicit subsidies for retiree coverage. Retirees are assumed to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible. The OPEB does not issue a stand-alone report, and it is not included in the report of a public employee retirement system or another entity. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided. All employees of the District who retire and are qualified and eligible for retirement under the FRS are also eligible to continue their participation in the medical health insurance plans and dental

plans offered by the District. Additionally, employees must be covered under the medical plan or dental plan as an active employee immediately prior to retirement. The post-employment benefits provided are the same health insurance plans and dental plans as those provided for active employees. Vision is not available to retirees. Spouses and dependents of eligible retirees are also eligible for medical coverage and dental coverage. Retirees may elect life insurance coverage of \$10,000 at a flat monthly fee of \$23.00. Retirees participating in the group medical and dental insurance plans offered by the District are required to contribute 100% of the active premiums. An employer-provided implicit subsidy for the group medical plan may exist for these retirees and their covered dependents. The projected premiums for the dental and life insurance benefits are assumed to cover the entire cost of the program.

Employees Covered by Benefits Terms. As of June 30, 2017, the following employees were covered by the benefit terms:

Inactive members currently receiving benefits	323
Active members	2,617
Total	2,940

Total OPEB Liability. The District's total OPEB liability of \$19,263,370 was measured as of June 30, 2017. The measurement period for the OPEB expense was July 1, 2016 to June 30, 2017. The reporting period is July 1, 2017 through June 30, 2018. The District's total OPEB liability for the ledger adjustment was measured as of June 30, 2016 using a discount rate of 2.85 percent. The total OPEB liability was "rolled-back" from June 30, 2017 at 2.85 percent, thus producing no experience gain or loss for the period from July 1, 2016 to June 30, 2017.

Actuarial Assumptions and Other Inputs. The total OPEB liability was determined by an actuarial valuation as of June 30, 2017 using the following actuarial assumptions:

Inflation rate	2.50%
Salary increase rate(s)	4.00%
Discount rate	3.58%
Initial trend rate	8.50%
Years to ultimate	4.00%

For general employees, mortality rates were based on the RP-2000 mortality tables. For female lives, 100% of the white-collar table was used. For male lives, a 50% white collar table, 50% blue collar table blend was used. All tables include fully generational adjustments for mortality improvements using improvement scale BB. For disabled lives, mortality rates were based on the RP-2000 sex-distinct disables mortality tables with female lives set forward two years and male lives set back four years. Disabled mortality has not been adjusted for mortality improvements. For post-employment mortality, the RP-2000 Annuitant mortality tables were used with the modifications above. For mortality during employment, the RP-2000 Combined Healthy mortality tables were used with the modifications above. Given the District's decision not to fund the program, all future benefit payments were discounted using a high quality municipal bond rate of 3.58 percent. The high quality municipal bond rate was based on the week closest but not later than the measurement date of the Bond Buyer 20-Bond Index as published by the Federal Reserve. The 20-Bond Index consists of 20 general obligation bonds that mature in 20 years. The average rating of the 20 bonds is roughly equivalent to Moody's Investors Service's "Aa2" rating and Standard & Poor's "AA".

Changes in Total OPEB Liability. The following table illustrates the total OPEB liability under GASB 75:

	Increase (Decrease) Net OPEB Liability
Balance as of June 30, 2017, as restated	\$19,263,370
Changes for the year	
Service cost	\$1,424,253
Interest	579,681
Changes in assumptions	(1,236,047)
Benefit payments	(700,779)
Net Change in OPEB	67,108
Balance as of September 30, 2018	\$19,330,478

Transition to GASB 75. The following table illustrates the transition from GASB 45 to GASB 75 from the beginning balance of total OPEB liability:

Net OPEB Obligation at June 30, 2017	\$6,486,298
Amount for Transition to GASB 75	12,777,081
	\$19,263,370

Interest Rate Sensitivity. The following table illustrates the impact of interest rate sensitivity on the Total OPEB liability for the Fiscal Year 17-18:

	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
Net OPEB Liability	\$21,043,571	\$19,330,478	\$17,761,898

Healthcare Cost Trend Sensitivity.

	1% Decrease (3.0%-7.5%)	Discount Rate (4.0%-8.5%)	1% Increase (5.0%-9.5%)
Net OPEB liability	\$17,204,968	\$19,330,478	\$21,829,107

OPEB Expense and Deferred Outflows/Inflows of Resources. For the year ended June 30, 2018, the District recognized OPEB expense of \$1,876,595. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions and other inputs		\$1,098,708
Estimated benefits paid after the measurement date	\$762,097	
	\$762,097	\$1,098,708

The \$762,097 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2017 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2019. Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year ending June 30	
2019	(137,339)
2020	(137,339)
2021	(137,339)
2022	(137,339)
2023	(137,339)
Thereafter	(137,339)

### **Investment Policy**

The District does not have a formal investment policy. Investments consist of amounts placed in the State of Florida State Board of Administration (the "SBA") Florida PRIME Fund (the "Florida PRIME Fund") and Debt Service Accounts investment pool created pursuant to Sections 218.405 and 218.417, Florida Statutes, as more fully described below. The Florida PRIME Fund is operated under investment guidelines established by Section 215.47, Florida Statutes. The District's investment in the Florida PRIME Fund is similar to investment in money market funds in which shares are owned in the fund rather than the underlying investments. The investments are reported at fair value, which is amortized cost.

The investment of certain assets held under the Trust Agreement are also governed by the terms and provisions of the Trust Agreement.

### **OPERATING REVENUE OF THE DISTRICT**

The District derives its operating income from a variety of federal, State, and local sources. Although Section 1013.15(2)(a), Florida Statutes, provides that operational revenues may be specifically authorized by the School Board to make lease payments on lease-purchase agreements, the School Board has not previously authorized the use of operating funds to make Lease Payments. In addition, other restrictions applicable to the use of operating revenues may conflict with the use of operating revenues by the School Board to make Lease Payments under Section 1013.15(2)(a) and there can be no assurance that such funds would be available to the School Board to make Lease Payments in the case of such conflicts. Prospective purchasers should assume that operating revenues will not be available to make Lease Payments and that such payments will be made solely from capital outlay funds. See "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS." The major categories of these income sources for the operating revenues are briefly described below.

#### **State Sources**

Florida Education Finance Program. The major portion of State support is distributed under the provisions of the Florida Education Finance Program ("FEFP"). Basic FEFP funds are provided on a weighted FTE student basis and through a formula that takes into account: (a) varying program costs; (b) cost differentials between districts; (c) differences in per student costs due to the density of student population; and (d) the required level of local support. Program cost factors are determined by the Florida Legislature each year. The amount of FEFP funds disbursed by the State is adjusted four times

during each year to reflect changes in FTE and in other variables comprising the formula, as well as to compensate for increases or decreases in ad valorem tax revenue resulting from adjustments to the valuation of non-exempt property in each county. To participate in FEFP funding, the District must levy a minimum millage for operating purposes, which is set by the State Department of Education. The District's general fund receipts from the state for FEFP pursuant to the above formula for Fiscal Years 2013-14, 2014-15, 2015-16, 2016-17, and 2017-18 were \$86,599,795, \$92,978,193, \$102,534,177, \$109,439,222, and \$116,888,574, respectively, and are budgeted at \$123,332,776 for Fiscal Year 2018-19.

**FEFP Categorical Program.** FEFP categorical programs 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 school district. In recent years, most categorical programs have been eliminated and the funds are now earmarked within the FEFP base student allocation. The main remaining categorical program is class size reduction. The allocation for class size reduction is based on a funding formula and the majority of the funds available require actual appropriation by the School Board for the purposes for which they were provided. Class size reduction funds were \$26,689,360, \$27,152,018, \$27,562,211, \$28,808,199, and \$29,351,423 for Fiscal Years 2013-14, 2014-15, 2015-16, 2016-17, and 2017-18 respectively, and are budgeted at \$30,070,282 for Fiscal Year 2018-19.

**State Lottery Revenues.** A portion of the revenues generated from the State lottery is distributed to each State school district as Discretionary Lottery revenue and Florida School Recognition Program revenue. The Florida School Recognition program recognizes schools that have received an "A" or improved at least one letter grade from the previous school year and, such revenues are required to be used for nonrecurring bonuses for school faculty and staff, nonrecurring expenditures for educational equipment or materials, for temporary personnel to assist schools in maintaining or improving student performance, or any combination of these. The District received \$1,463,055, \$1,925,063, \$2,192,775, \$1,079,583, and \$1,385,047 in Florida School Recognition revenues for Fiscal Years 2013-14, 2014-15, 2015-16, 2016-17, and 2017-18, respectively, and the District budgeted \$1,385,047 in Florida School Recognition Program revenues for Fiscal Year 2018-19. The District received \$239,570, \$89,353, \$438,844, and \$47,654 in Discretionary Lottery revenues for Fiscal Years 2013-14, 2014-15, 2016-17, and 2017-18 and is budgeted to receive \$48,572 of such revenues for Fiscal Year 2018-19. The District did not receive any Discretionary Lottery revenues for Fiscal Year 2015-16.

## **Local Sources**

Local revenue for District operating support is derived almost entirely from ad valorem real and tangible personal property taxes. In addition, the District earns interest on cash invested and collects other miscellaneous revenues.

The Constitution of the State of Florida limits the non-voted millage rate that school boards may levy on an annual basis for operational funds to 10 mills (\$10 per \$1,000 of taxable real and personal property value). Chapter 1011, Florida Statutes, further limits the millage levy for operational purposes to an amount established each year by the State appropriations act and finally certified by the Commissioner of the State Department of Education. Within this operational limit, each school district desiring to participate in the State's allocation of FEFP funds for current operations must levy a non-voted millage rate that is determined annually by the Florida Legislature and certified by the Commissioner (the "Required Local Effort"). The Required Local Effort levied by the District for the Fiscal Years 2013-14, 2014-15, 2015-16, 2016-17, and 2017-18 were 5.600 mills, 5.295 mills, 5.054 mills, 4.692 mills, and 4.435

mills, respectively. The School Board has budgeted that the Required Local Effort to be levied by the District for Fiscal Year 2018-19 is 4.151 mills.

In addition to the Required Local Effort, school districts are entitled an additional non-voted current operating discretionary millage not to exceed an amount established annually by the Florida Legislature (the "Current Operating Discretionary Millage"). The District levied a Current Operating Discretionary Millage of 0.748 mills for each of the Fiscal Years 2013-14 through 2017-18. The School Board has budgeted that the Current Operating Discretionary Millage to be levied by the District for Fiscal Year 2018-19 is 0.748 mills.

School boards may, upon approval by voters in a local referendum or general election, levy an additional millage for operating needs up to an amount that when combined with the non-voted millage does not exceed 10 mills (the "Additional Voted Operating Millage"). The Additional Voted Operating Millage shall be for a maximum of four years. The District did not levy any Additional Voted Operating Millage for the Fiscal Years 2013-14 through 2017-18, and has not budgeted to levy any Additional Voted Operating Millage for the Fiscal Year 2018-19.

Budgeted revenues from ad valorem taxes were based on applying millage levies to 96% of the non-exempt assessed valuation of real and personal property within the County. Ad valorem tax revenue collections for operating levies for the Fiscal Years 2013-14, 2014-15, 2015-16, 2016-17, and 2017-18 were \$54,384,806, \$52,705,711, \$52,747,090, \$49,429,765, and \$49,339,302, respectively. Ad valorem taxes for operating purposes are budgeted to be \$50,111,564 for Fiscal Year 2018-19.

#### **Federal Sources**

The District receives certain federal moneys, both directly and through the State, substantially all of which are restricted for specific programs. Much of the revenue is derived from grants that are renewed annually. Many grants reimburse for actual eligible expenses, therefore revenue is not accurately available until projects are reconciled at year end. Federal revenue sources recorded for Fiscal Years 2013-14, 2014-15, 2015-16, 2016-17, and 2017-18 were \$1,195,866, \$1,543,776, \$1,757,578, \$1,713,750 and \$1,809,874, respectively, and was budgeted at \$1,612,634 for Fiscal Year 2018-19.

#### **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 the Fiscal Year 2018-19, excluding borrowing proceeds and existing fund balances, the School Board has budgeted that approximately 1% of the annual revenues for capital improvements will be provided by State sources and approximately 99% will be provided by local sources.

#### **State Sources**

Public Education Capital Outlay. A source of State educational funding contributions to the School Board's capital outlay requirements is the Florida Public Education Capital Outlay Program ("PECO"). PECO funds are derived from revenues generated from the gross receipts tax levied on utilities pursuant to Article VII of the Constitution of the State of Florida. The vast majority of such revenues are generated from assessments imposed on the sale of telecommunication services and electricity pursuant to Chapter 203, Florida Statutes. The method of allocation of funds to the district school boards is

provided by State law based upon a statutory formula, a component of which is the number of full-time equivalent students in the school system. The Commissioner administers the PECO program and allocates or reallocates funds as authorized by law. The School Board did not receive any PECO funds for Fiscal Years 2013-14 and 2014-15. The School Board received \$770,108, \$709,661, and \$500,095 in PECO funds for Fiscal Years 2015-16, 2016-17, and 2017-18, respectively, and is budgeted to receive \$428,734 in PECO funds for Fiscal Year 2018-19.

Capital Outlay and Debt Service Funds. The State Capital Outlay and Debt Service Funds ("CO&DS") also provides funds for the School Board's capital outlay requirements. CO&DS Funds are derived from a portion of the revenues collected from motor vehicle license charges. The School Board received \$938,692, \$948,140, \$1,031,538, \$1,018,044, and \$1,047,876 in Fiscal Years 2013-14, 2014-15, 2015-16, 2016-17, and 2017-18, respectively. The School Board has budgeted to receive \$1,094,931 of CO&DS funds in Fiscal Year 2018-19. CO&DS funds are legally available to the School Board to pay the Principal Component and Interest Component of Basic Rent Payments, but only if the Project financed thereby appears on a project priority list approved by the State Board of Education. The Series 2019 Project is on the project priority list.

Capital Outlay Bonds. Annually, the State offers to bond a portion of future CO&DS funds for school districts. The Capital Outlay Bonds are serviced entirely by the State using a portion of the District's share of revenue derived from CO&DS funds. The annual sinking fund requirements are determined by the State Board of Administration (the "SBA") and amounts necessary to retire bonds and pay interest are withheld from amounts due to the District. CO&DS funds in the amount of \$828,837, \$749,876, \$917,960, \$556,079, and \$345,667 were withheld from the allocations in Fiscal Years 2013-14, 2014-15, 2015-16, 2016-17, and 2017-18, respectively. CO&DS funds in the amount of \$425,000 are budgeted to be withheld in Fiscal Year 2018-19. See "FINANCIAL RESULTS AND LIABILITIES OF THE DISTRICT – Long Term Debt" herein.

Other State Sources. 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.

## **Local Sources**

Ad Valorem Taxes. Local revenue for school district support is derived primarily from real and tangible personal property taxes. See also "AD VALOREM TAXATION."

School boards may levy non voted millage for capital outlay and maintenance purposes, pursuant to Section 1011.71(2), Florida Statutes (the "Capital Outlay Millage"). Revenues from the Capital Outlay Millage may be used to fund, among other things, new construction, remodeling, site acquisition and improvement; maintenance and repair; school bus purchases; payments under lease purchase agreements and certain short term loans.

The Capital Outlay Millage may be up to 1.50 mills (each mill represents \$1 of tax assessment per \$1,000 of property value assessment, subject to certain exclusions). For each Fiscal Year since Fiscal Year 2013-14, the School Board has levied a Capital Outlay Millage of 1.40 mills. The revenues generated from the Capital Outlay Millage received by the School Board for Fiscal Years 2013-14, 2014-15, 2015-16, 2016-

17, and 2017-18 are \$11,540,927, \$12,114,392, \$12,669,585, \$13,172,775, and \$13,792,047, respectively. The School Board has budgeted to receive \$14,321,357 of revenues generated from the Capital Outlay Millage for Fiscal Year 2018-19.

Payment of Lease Payments from the Capital Outlay Millage may not exceed three-fourths of the revenues generated from the Capital Outlay Millage; however, such three-fourths limitation is waived for lease-purchase agreements originally entered into prior to June 30, 2009. The Series 2006 Lease Agreement was originally entered into before June 30, 2009, and the three-fourths limitation is waived relative thereto. The three-fourths limitation is applicable to the Series 2009 Lease Agreement and the Series 2019 Lease Agreement.

If revenue generated from the Capital Outlay Millage is insufficient to make payments under a lease-purchase agreement entered into prior to June 30, 2008, an amount equal to the revenue generated from 0.50 mills of the operating levy may be used to make such lease payments. Additionally, if revenue from the Capital Outlay Millage is insufficient to make payments due under a lease-purchase agreement entered into prior to June 30, 2009, or to meet other critical school district fixed capital outlay needs, a school board may levy a capital outlay discretionary millage up to an additional 0.25 mills (the "Capital Outlay Discretionary Millage"). The Capital Outlay Discretionary Millage is in addition to the 1.50 mills Capital Outlay Millage and is in lieu of levying an equivalent amount of the Current Operating Discretionary Millage. The District did not levy any Capital Outlay Discretionary Millage for the Fiscal Years 2013-14 through 2017-18, and has not budgeted to levy any Capital Outlay Discretionary Millage for the Fiscal Year 2018-19. See "AD VALOREM TAXATION – Millage Set by Local Governing Body."

The Capital Outlay Millage is the School Board's primary source of payment of Lease Payments on the Series 2019 Lease Agreement and the Prior Lease Agreements. The School Board is not required to levy any Capital Outlay Millage 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 any 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 – Legislation Relating to Ad Valorem Taxation" and "LEGISLATIVE CHANGES AFFECTING DISTRICT REVENUES – Distribution of Capital Outlay Millage Revenues to Charter Schools" for information concerning legislation that may adversely affect the District's taxable assessed valuation, the levy of the Capital Outlay Millage, and the Capital Outlay Millage available to make Lease Payments.

On June 15, 2017, Governor Rick Scott approved House Bill 7069 ("HB 7069"). HB 7069, among other things, requires school districts to distribute revenues generated from the Capital Outlay Millage on a per student basis between traditional schools and charter schools. HB 7069 establishes the calculation methodology to determine the amount of Capital Outlay Millage revenues a school district must distribute to each eligible charter school. Such calculation provides that the amount of Capital Outlay Millage revenues a school district must distribute to each eligible charter school will first be reduced by the school district's annual debt service for obligations issued or incurred as of March 1, 2017 (which includes the Series 2019 Lease Agreement and the Prior Lease Agreements) that are being satisfied by Capital Outlay Millage revenues (which for the School Board for Fiscal Year 2018-19 is \$8,621,047), and requires the first payment to charter schools as of February 1 of each year, commencing February 1, 2018. The remaining Capital Outlay Millage revenue would be divided by the total of capital outlay FTE students in traditional public schools and eligible charter schools in the school district, then multiplied by the total of capital outlay FTE students in each eligible charter school in the school district to determine



each charter school's allocation. However, to the extent a charter school receives State charter school capital outlay funding in the general appropriations act, its share of Capital Outlay Millage revenues would be reduced by a like amount. On February 1, 2018, the amount of revenues from the District's Capital Outlay Millage actually paid by the District for charter school capital outlay was \$23,593.

On March 11, 2018, Governor Rick Scott approved Committee Substitute for House Bill 7055 ("CS/HB 7055"). CS/HB 7055, among other things, revises certain of the requirements of HB 7069 relating to the required sharing of the Capital Outlay Millage revenues with charter schools. CS/HB 7055 specifies that charter school capital outlay funds shall consist of State funds when such funds are appropriated. However, if in any given year the amount of State funds is not equal to, or is less than, the average charter school capital outlay funds per unweighted FTE student for the Fiscal Year 2018-19, multiplied by the estimated number of charter school students for the applicable fiscal year and adjusted for inflation from the previous year, charter school capital outlay funds shall also consist of the Capital Outlay Millage revenue. CS/HB 7055 also seeks to clarify that the debt service obligation that can be reduced from the distribution to charter schools is the debt service obligation incurred as of March 1, 2017, which has not been subsequently retired, and also requires each school district to annually certify to the Florida Department of Education the amount of the debt service obligation that can be reduced from the distribution to charter schools. The bill provides that such amount shall be verified by the Auditor General during its operational audit. Additionally, in the event aggregate lease-purchase agreement payments, including lease-purchase agreements entered into prior to June 30, 2009, exceed three-fourths of the Capital Outlay Millage revenues, CS/HB 7055 provides that a school district may not withhold administrative expenses authorized by law from any charter school operating in the school district. Pursuant to CS/HB 7055, the State appropriated the full amount of the charter school capital outlay; therefore, the School Board did not budget any of the District's Capital Outlay Millage revenues to be paid for charter school capital outlay for the Fiscal Year 2018-19. However, there can be no assurance that the School Board will not have to share Capital Outlay Millage revenues with charter schools in the District in future years.

At this time, the School Board cannot determine the long-term impact of HB 7069 and CS/HB 7055 on the amount of revenues available to the School Board from the Capital Outlay Millage to make Basic Rent Payments under the Master Lease in future years. While HB 7069 and CS/HB 7055 will likely result in a reduction in such amount, the School Board, at this time, does not expect the impact of HB 7069 and CS/HB 7055 to adversely affect its ability to make Basic Rent Payments under the Master Lease. See "LEGISLATIVE CHANGES AFFECTING DISTRICT REVENUES – Distribution of Capital Outlay Millage Revenues to Charter Schools" herein.

The following table sets forth the Capital Outlay Millage levy that would provide 1.00x coverage of the maximum annual Basic Rent Payments represented by the Prior Certificates and the Series 2018 Certificates after the issuance of the Series 2018 Certificates and the refunding of the Refunded Certificates, based on current law and assuming 96% collection of the taxes levied:

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## Anticipated Capital Outlay Millage Levy Required to Cover Maximum Annual Payments

<i>Fiscal Year 2018-19</i>	
Net Taxable Assessed Valuation <sup>(1)</sup>	\$10,655,143,028
Capital Outlay Millage Levy	1.40
Assumed Tax Collection Rate	96.0%
<b>Total Revenue Generated by 1.40 mill Levy at 96% Collection</b>	<b>\$14,320,513</b>
<i>Capital Outlay Millage Levy Required to Satisfy Maximum Annual Basic Rent Payments Represented by the Prior Certificates and the Series 2019 Certificates</i>	
Maximum Annual Basic Rent Payments (Fiscal Year 20__ - __) <sup>(2)</sup>	\$ _____
Minimum Capital Outlay Millage Needed to Satisfy Maximum Annual Rent Payments <sup>(2)(3)</sup>	_____ mills
<i>Sharing of the Local Option Millage Levy with Eligible District Charter Schools</i>	
Maximum Capital Outlay Millage Revenue Shared with Eligible District Charter Schools <sup>(4)</sup>	\$0.00
Maximum Capital Outlay Millage Shared with Eligible District Charter Schools	0.00 mills
Minimum Capital Outlay Millage Revenue Remaining after Charter School Payments	\$14,320,513
<i>Local Option Millage Levy Available After Basic Rent Payments and Charter School Payments</i>	
Capital Outlay Millage Revenue Required to Satisfy Maximum Annual Basic Rent Payments and Charter School Payments <sup>(2)</sup>	\$ _____
Capital Outlay Millage Required to Satisfy Maximum Annual Basic Rent Payments and Charter School Payments <sup>(2)(3)</sup>	_____ mills
Anticipated Minimum Capital Outlay Millage Revenue Remaining After Basic Rent Payments and Charter School Payments <sup>(2)</sup>	\$ _____

<sup>(1)</sup> Such figure is subject to change through the value adjustment board process. See "AD VALOREM TAXATION – Property Assessment and County Property Appraiser."

<sup>(2)</sup> Preliminary, subject to change. Assumes the issuance of \$ \_\_\_\_\_ in principal amount of Series 2019 Certificates with a true interest cost of \_\_\_\_\_. Assumes the Outstanding Certificates have the financial arrangements, assumptions, and accounting practices described in footnotes under "CERTIFICATE PAYMENT SCHEDULE."

<sup>(3)</sup> Under current law, the 75% limitation on the use of the Capital Outlay Millage revenues for the payment of lease-purchase agreements is waived for lease-purchase agreements originally entered into prior to June 30, 2009. Accordingly, only the Lease Payments with respect to Leases originally entered into after June 30, 2009 are subject to the 75% limitation, such as the Series 2006-2 Lease Agreement and Series 2014 Lease Agreement. However, the Series 2009 Lease Agreement and the Series 2019 Lease Agreement are subject to the 75% limitation and, therefore, such limitation has been taken into account in calculating the estimated millage levy that would satisfy the maximum annual Lease Payments.

<sup>(4)</sup> Pursuant to CS/HB 7055, the State appropriated the full amount of the charter school capital outlay funds per unweighted FTE student for the Fiscal Year 2018-19. In future years, if the State does not appropriate an amount at least equal to the average charter school capital outlay per unweighted FTE student for Fiscal Year 2018-19, multiplied by the estimated number of charter school students for the applicable fiscal year and adjusted for inflation from the previous year, charter school capital outlay funds would also consist of the Capital Outlay Millage revenue. If the State had not appropriated any funds for such purpose for Fiscal Year 2018-19, the District would have been required to pay an estimated \$ \_\_\_\_\_ or \_\_\_\_\_ mills of the Capital Outlay Millage to charter schools. At this time, the amount of the Capital Outlay Millage revenues to be shared with eligible charter schools in future years cannot be determined because the amount of State funds appropriated for the charter

school capital outlay and charter school enrollment are unknown. See "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS – Local Sources" herein.

School Capital Outlay Surtax Referendum. Section 212.055(6), Florida Statutes, authorizes school boards to impose a discretionary sales surtax of 0.5% per dollar for fixed capital expenditures or fixed capital costs associated with the construction, reconstruction, or improvement of school facilities and campuses which have a useful life expectancy of five or more years, and any land acquisition, land improvement, design and engineering costs related thereto, as well as retrofitting and providing for technology implementation, including hardware and software for various sites within the District. Surtax revenues may be used for the purpose of servicing bond indebtedness to finance projects authorized by Section 212.055(6), Florida Statutes, and any interest accrued thereto may be held in trust to finance such projects. However, neither the surtax revenues nor any interest accrued thereto may be used for operational expenses. The levy of the surtax must be approved by a referendum of the electors of the county in which the school district is located. By statute, the sales amount above \$5,000 on any item of tangible personal property is not subject to the surtax.

On May 20, 1998, the citizens of the County approved a discretionary sales surtax of 0.5% (the "Surtax"), to be collected through September 2008. On March 27, 2007, an extension of the Surtax was approved for a period ending September 2018. On March 28, 2017, the citizens of the County approved an additional extension of the Surtax for the period ending December 31, 2028. The proceeds of the Surtax are used to pay construction costs of certain school facilities, pay for the installation and upgrading of technology in the schools, and pay for costs of certain improvement projects of educational facilities. The School Board received Surtax revenues in the amounts of \$7,264,333, \$7,804,989, \$8,530,136, \$8,938,746, \$9,060,745 in Fiscal Years 2013-14, 2014-15, 2015-16, 2016-17, and 2017-18, respectively, and has budgeted to receive \$8,400,000 in Fiscal Year 2018-19. THE DISTRICT HAS NOT PLEDGED THE SURTAX REVENUES FOR SUCH PURPOSES, AND THE DISTRICT DOES NOT ANTICIPATE USING SURTAX REVENUES TO MAKE BASIC RENT PAYMENTS REPRESENTED BY THE SERIES 2019 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.

### **Property Assessment and County Property Appraiser**

General. Ad valorem taxes may be levied only by counties, school districts, municipalities, and certain special districts (railroad properties are centrally assessed at the State level). No State ad valorem taxes shall be levied upon real estate or tangible personal property. State law requires that all ad valorem taxation be assessed at a uniform rate within each taxing unit and, with certain exceptions, that real and personal property subject to ad valorem taxation be assessed at 100% of its just value. See "AD VALOREM TAXATION – Property Assessment and County Property Appraiser – Limitation on Increase in Assessed Value of Property." The following property is generally subject to taxation in the manner provided by law: (a) all real and personal property in the State and all personal property belonging to persons residing in the State; and (b) all leasehold interests in property of the United States, of the State, or any political subdivision, municipality, agency, authority, or other public body corporate of the State. Pursuant to the Constitution of the State of Florida and State law, certain of such property may be exempt from ad valorem taxation. See "AD VALOREM TAXATION – Exemptions from Ad Valorem Taxation."

Determination of Property Valuation. The Property Appraiser of the County (the "Property Appraiser") determines property valuation on real and tangible personal property subject to ad valorem

taxation as of January 1 of each year. By July 1 of each year, the Property Appraiser notifies the County, the District, each municipality within the County, and each other legally constituted special taxing district within the County as to its just valuation, the legal adjustments and exemptions, and the taxable valuation. The taxable valuation is then used by each taxing body to calculate its ad valorem millage for the budget year. See "AD VALOREM TAXATION – Millage Set by Local Governing Body" and "AD VALOREM TAXATION – Property Assessment and County Property Appraiser – Limitation on Increase in Assessed Value of Property" for limitations on increases in assessed value of property.

Limitation on Increase in Assessed Value of Property. The Constitution of the State of Florida limits the increases in assessed just value of homestead property to the lower of (a) 3% of the assessment for the prior year or (b) 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. The accumulated difference between the assessed value and the just value is known as the "Save Our Homes Benefit." Further, 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; new homestead property shall be assessed at just value as of January 1 of the year following the establishment of the homestead; and changes, additions, reductions or improvements to the homestead shall initially be assessed as provided for by general law.

Owners of homestead property may 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 is 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.

For all levies other than school district levies, assessment increases for specified non-homestead real property may not exceed 10% of the assessment for the prior year. This assessment limitation is, by its terms, to be repealed effective January 1, 2019; however, the Florida Legislature enacted a joint resolution proposing an amendment to the Constitution of the State of Florida abrogating such repeal, which is required to be submitted to the electors of the State for approval or rejection at the general election of 2018 and, if approved, shall take effect January 1, 2019. See "AD VALOREM TAXATION – Legislation Relating to Ad Valorem Taxation – 2017 Legislative Session."

Preparation of Tax Roll. The Property Appraiser applies the final certified millage of each taxing body to the assessed valuation on each item of real and tangible personal property, and prepares the final tax roll which is certified to the Tax Collector of the County (the "Tax Collector") by October 1. This permits the printing of tax bills for delivery on November 1 of each year. The tax bills contain all of the overlapping and underlying millages set by the various taxing bodies. All ad valorem taxes are collected by the Tax Collector and distributed to the various taxing bodies. See "AD VALOREM TAXATION – Tax Collection and Distribution by County Tax Collector."

Appealing Property Valuation. Concurrently with notification to the various taxing bodies, the Property Appraiser notifies each property owner of the proposed valuation and the proposed millage on his or her property. If the individual property owner believes that his or her property has not been appraised at just value, the owner may (a) request an informal conference with the Property Appraiser to

resolve the issue, (b) file a petition with the clerk of the County value adjustment board (the "Adjustment Board"), or (c) appeal to the Circuit Court within 60 days of the certification for collection of the tax roll or within 60 days of the issuance of a final decision by the Adjustment Board. A petition to the Adjustment Board must be signed by the taxpayer or be accompanied at the time of filing by the taxpayer's written authorization for representation by a qualified person. A taxpayer receives notice of the hearing and is required to provide the Property Appraiser with a list of evidence, copies of documentation, and summaries of testimony prior to the hearing before the Adjustment Board. The Adjustment Board holds public hearings on such petitions and may make adjustments to the valuations made by the Property Appraiser if such valuations are found not to be fair and at market value. The Adjustment Board must complete all required hearings and certify its decision with regard to all petitions and certify to the Property Appraiser the valuation to be used by June 1 following the tax year in which the assessments were made. The June 1 requirement shall be extended until December 1 in each year in which the number of petitions filed with the Adjustment Board increased by more than 10% over the previous year. These changes are then made to the final tax roll.

Property owners appealing the assessed value or assigned classification of their property must make a required partial payment of taxes (generally equal to 75% of the ad valorem taxes due, less the applicable statutory discount, if any) with respect to the properties that will have a petition pending on or after the delinquency date (normally April 1). A property owner's failure to make the required partial payment before the delinquency date will result in the denial of the property owner's petition.

#### **Assessed Valuation of Taxable Property**

The following table shows the District's assessed and estimated taxable assessed value for Fiscal Years 2009-10 through 2017-18.

#### **ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (Unaudited)**

Fiscal Year Ending	Just Value <sup>(1)</sup>	Total Assessed Value <sup>(1)</sup>	Homestead Exemptions	Other Exemptions	Total Taxable Value	Assessed Value As A Percentage Of Actual Value
2018	\$15,101,969,476	13,689,156,018	1,136,137,717	1,835,926,428	10,717,091,873	90.64%
2017	13,808,042,283	12,701,245,769	1,103,544,876	1,746,238,798	9,851,462,095	91.98
2016	13,171,112,447	12,216,464,428	1,076,444,714	1,730,894,591	9,409,125,123	92.75
2015	12,623,375,543	11,832,456,796	1,057,189,097	1,725,333,554	9,049,934,145	93.73
2014	12,237,590,802	11,392,052,014	1,047,159,248	1,691,767,657	8,653,125,109	93.09
2013	11,493,437,183	10,888,436,503	1,040,279,034	1,604,638,182	8,243,519,287	94.74
2012	11,387,621,757	10,780,382,077	1,040,548,606	1,594,730,523	8,145,102,948	94.67
2011	11,861,883,053	11,011,271,499	1,039,182,963	1,669,965,191	8,302,123,345	92.83
2010	12,203,434,369	11,179,842,159	1,039,837,181	1,644,330,889	8,495,674,089	91.61

<sup>(1)</sup> Estimated actual value of property subject to taxation as defined by Section 193.011, Florida Statutes.

*Source: Property Appraiser of Santa Rosa County, Florida.*

## **Millage Set by Local Governing Body**

General. The Constitution of the State of Florida provides that ad valorem taxes shall not be levied in excess of the following millages upon the assessed value of real estate and tangible personal property: for all county purposes, ten mills; for all municipal purposes, ten mills; for all school purposes, ten mills; for water management purposes for the northwest portion of the state lying west of the line between ranges two and three east, 0.05 mill; for water management purposes for the remaining portions of the state, 1.0 mill; and for all other special districts a millage authorized by law approved by voters. There is no limit on the amount of ad valorem taxes a local government may levy for the payment of debt service on voter-approved general obligation bonds.

As described above, the Property Appraiser is required to certify to each taxing authority the aggregate taxable value of all non-exempt property within the jurisdiction of the taxing authority, as well as the prior year's tax revenues, for use in connection with the determination of the forthcoming budget and millage levy. The form on which such certification is made by the Property Appraiser is required to include instructions to each taxing authority describing the proper method of computing a millage rate, which, exclusive of new construction, additions to structures, deletions and property added due to geographic boundary changes, will provide the same ad valorem tax revenues for each taxing authority as was levied during the prior fiscal year. See "AD VALOREM TAXATION – Millage Set by Local Governing Body – Millage Rollback Legislation."

Each respective millage rate, except as limited by law, is set on the basis of estimates of revenue needs and the total taxable property valuation within the taxing authority's respective jurisdiction. Ad valorem taxes are not levied in excess of actual budget requirements. State law requires the School Board to adopt and maintain a balanced tentative budget and a balanced final budget, in which anticipated revenues less certain required deductions combined with beginning fund balances equal appropriations. The School Board is required to advertise its intent to adopt a tentative budget, including a capital outlay budget, within 29 days following receipt from the Property Appraiser of the preliminary certificate of taxable value. 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 Property Appraiser prepares tax millage notices for property owners within the District. The final budget and tax rate are fixed in September of each year, following a final public hearing and in accordance with statutory timelines. The Superintendent is responsible for preparing the preliminary and tentative budgets for recommendation to the School Board. 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. The School Board adopted the tentative budget for the Fiscal Year 2018-19 on August 2, 2018, and adopted the final budget for the Fiscal Year 2018-19 on September 10, 2018.

As part of the budget process, the District is required to provide advance notice of the purposes for which the District intends to spend budgeted amounts, including those derived from the revenues generated from the Capital Outlay Millage, and to adopt a budget that shows the capital outlay expenditures applicable to each project. For information regarding the Capital Outlay Millage, see "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS – Local Sources." The District currently lists in such notice all projects that may begin within the Fiscal Year which are reasonably anticipated to be funded from revenues generated from the estimated Capital Outlay Millage. This listing is provided to allow for public input for all capital outlay projects that are reasonably anticipated to be funded from the revenues.

Millage Rollback Legislation. In 2007, the Florida Legislature adopted a property tax plan that significantly impacted ad valorem tax collections for State local governments (the "Millage Rollback Legislation"). One component of the Millage Rollback Legislation required counties, cities, and special districts to rollback their millage rates for the Fiscal Year 2007-08 to a level that, with certain adjustments and exceptions, would 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 were determined after first reducing 2006-07 ad valorem tax revenues by 0% to 9%. In addition, the Rollback Legislation also limited how much the aggregate amount of ad valorem tax revenues may increase in future fiscal years. A local government may override certain portions of these requirements by a supermajority, and for certain requirements, a unanimous vote of its governing body. School districts are not required to comply with the particular provisions of the Millage Rollback Legislation relating to limitations on increases in future years.

District Millage Rates. The following table shows the millage rates levied by the District and the County for the Fiscal Years 2008-09 through 2017-18:

**PROPERTY TAX RATES  
DIRECT AND OVERLAPPING GOVERNMENTS  
(per \$1,000 Assessed Valuation)  
(Unaudited)**

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
District School Board										
Required Local Effort	5.2720	5.4270	5.5780	5.7680	5.5200	5.6000	5.2950	5.0540	4.6920	4.4350
Operating Discretionary	0.7480	0.7480	0.7480	0.7480	0.7480	0.7480	0.7480	0.7480	0.7480	0.7480
Capital Outlay	1.4000	1.4000	1.4000	1.4000	1.4000	1.4000	1.4000	1.4000	1.4000	1.4000
Total District School Board	7.4200	7.5750	7.7260	7.9160	7.6680	7.7480	7.4430	7.2020	6.8400	6.5830
Bd. of County Commr's	6.0953	6.0953	6.0953	6.0953	6.0953	6.0953	6.0953	6.0953	6.0953	6.0953
Total County-Wide	13.5153	13.6703	13.8213	14.0113	13.7633	13.8433	13.53833	13.2973	13.9353	12.6783

*Source: State of Florida Auditor General Financial, Operational and Federal Single Audit for the Fiscal Years ended June 30, 2009 and 2010, Fiscal Year ended June 30, 2013 and Fiscal Year ended June 30, 2016; and Financial Statements and Supplementary Information for the Fiscal Years ended June 30, 2011 and 2012, Fiscal Years ended June 30, 2014 and 2015 and Fiscal Years ended June 30, 2017 and 2018, each as audited by Carr Riggs & Ingram, LLC; and School Board of Santa Rosa County, Florida,.*

For Fiscal Year 2018-19, the School Board levied a total District-wide millage rate of 6.299 consisting of: a Required Local Effort of 4.151 mills, a Current Operating Discretionary Millage of 0.748, and a Capital Outlay Millage of 1.400.

**Tax Collection and Distribution by Tax Collector**

General. All real and tangible personal property taxes are based on assessed values as certified and delivered to the Tax Collector by the Property Appraiser as described above. The Tax Collector mails to each property owner on the tax roll a tax bill for the taxes levied by the various taxing authorities in the County. Taxes may be paid upon receipt of such notice with discounts at the rate of 4% if paid in the



month of November, 3% if paid in the month of December, 2% if paid in the month of January, and 1% if paid in the month of February. Taxes paid during the month of March are without discount. Because of the discount in ad valorem taxes for payments made prior to March 1, taxes collected will likely never be 100% of the tax levy.

The Tax Collector is required to distribute the taxes collected to each governmental unit levying the tax. Such distribution is to be made four times during the first two months after the tax roll comes into its possession, and once per month thereafter.

Delinquent Taxes. All unpaid taxes on real and tangible property become delinquent on April 1 of the year following the year in which taxes were levied. Delinquent real property taxes bear interest at the rate of 18% per year from April 1 until paid, or until payment is no longer required or 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 18% per year from April 1 until paid. Delinquent personal property taxes must be advertised within 45 days after delinquency, and after May 1, the property is subject to warrant, levy, seizure and sale.

Tax Certificates and Tax Deeds. On or before June 1 or the 60th day after the date of delinquency, whichever is later, the Tax Collector must advertise once each week for three weeks and must sell tax certificates on all real property that is the subject of delinquent taxes. The tax certificates are sold to those bidding the lowest interest rate. Such certificates include the amount of delinquent taxes, the penalty interest accrued thereon and the cost of advertising. Delinquent tax certificates not sold at auction become the property of the County. State law provides that real property tax liens are superior to all other liens, except prior Internal Revenue Service liens.

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 shown on the tax certificate (or interest at the rate of 5%, whichever is higher) from the date of the sale of the tax certificate to the date of redemption. If such tax certificates or liens are not redeemed by the property owner within two years, the holder of the tax certificates can cause the property to be sold to pay off the outstanding certificates and the interest thereon.

At any time after two years have elapsed since April 1 of the year of the issuance of a tax certificate and before the expiration of seven years, the holder of the tax certificate may apply for a tax deed with respect to any tax certificate it holds. Two years after such April 1, the County may make application for a tax deed with respect to any tax certificate it holds. Upon receipt of such applications, a public sale is advertised and held (unless the property is redeemed), and the highest bidder at such sale receives a tax deed for the property. Provisions are also made for the collection of delinquent tangible personal property taxes, but in a different manner, which includes the possible seizure of the tangible personal property.

### **Exemptions from Ad Valorem Taxation**

General. State law provides for numerous exemptions and limitations on ad valorem taxation of real property and tangible personal property. Real property used for the following purposes is generally exempt from ad valorem taxation: religious, educational, literary, charitable, scientific, and governmental uses. Certain additional exemptions and limitations are described below. This description does not

purport to describe all exemptions available to property owners in the State, and reference is made to the Constitution of the State of Florida and Chapter 196, Florida Statutes, for a full description of such exemptions. In addition, State law allows for, but does not mandate, the imposition of some exemptions by local governments by ordinance. Where applicable, it is noted where the District has imposed such optional exemptions or limitations. Certain recent amendments to existing provisions relating to ad valorem tax exemptions are described under "Legislation Regarding Ad Valorem Taxes – Recent Amendments Relating to Ad Valorem Taxation."

**Constitutional Exemptions.** The Constitution of the State of Florida provides for the following exemptions from ad valorem taxation:

*Exempt Entities/Exempt Purposes.* The Constitution of the State of Florida provides that all property owned by a municipality and used exclusively by it for municipal or public purposes shall be exempt from taxation. A municipality, owning property outside the municipality, may be required by general law to make payment to the taxing unit in which the property is located. Such portions of property as are used predominantly for educational, literary, scientific, religious or charitable purposes (exempt purposes) may be exempted by general law from taxation. State law provides that all property owned by an exempt entity, including educational institutions, and used exclusively for exempt purposes shall be totally exempt from ad valorem taxation and all property owned by an exempt entity, including educational institutions, and used predominantly for exempt purposes (at least 50%) shall be exempted from ad valorem taxation to the extent of the ratio that such predominant use bears to the nonexempt use.

*Household Goods and Personal Effects.* The Constitution of the State of Florida provides that there shall be exempt from taxation, cumulatively, to every head of a family residing in the State, household goods and personal effects to the value fixed by general law, not less than \$1,000 and to every widow or widower or person who is blind or totally and permanently disabled, property to the value fixed by general law not less than \$500. State law exempts from taxation to every person residing and making his or her permanent home in the State, all household goods and personal effects and exempt property up to the value of \$500 of every widow, widower, blind person, or totally and permanently disabled person who is a resident of the State.

*Tangible Personal Property and Renewable Energy Devices.* The Constitution of the State of Florida provides that by general law and subject to conditions specified therein, \$25,000 of the assessed value of property subject to tangible personal property tax shall be exempt from ad valorem taxation. Effective January 1, 2018 through December 31, 2037, the assessed value of solar devices or renewable energy source devices subject to tangible personal property tax may be exempt from ad valorem taxation, subject to limitations provided by general law.

*Property Dedicated In Perpetuity for Conservation.* The Constitution of the State of Florida provides that there shall be granted an ad valorem tax exemption for certain real property dedicated in perpetuity for conservation purposes, including real property encumbered by perpetual conservation easements or by other perpetual conservation protections, as defined by general law.

*Homestead Exemption.* The Constitution of the State of Florida provides for a homestead exemption. Every person who has the legal title or beneficial title in equity to real property in the State and who resides thereon and in good faith makes the same his or her permanent residence or the permanent residence of others legally or naturally dependent upon such person is eligible to receive a homestead exemption of up to \$50,000. The first \$25,000 applies to all property taxes, including school

district taxes. The additional exemption, up to \$25,000, applicable to the assessed value of the property between \$50,000 and \$75,000, applies to all levies other than school district levies. A person who is receiving or claiming the benefit of an ad valorem tax exemption or a tax credit in another state where permanent residency, or residency of another legally or naturally dependent upon the owner, is required as a basis for the granting of that ad valorem tax exemption or tax credit is not entitled to the homestead exemption. In addition to the general homestead exemption described in this paragraph, the following additional homestead exemptions are authorized by State law:

*Certain Active Duty Military and Veterans.* A military veteran who was honorably discharged, is a resident of the State, and who is disabled to a degree of 10% or more because of misfortune or while serving during wartime may be entitled to a \$5,000 reduction in the assessed value of his or her property. This exemption is not limited to homestead property. A military veteran who was honorably discharged with a service-related total and permanent disability may be eligible for a total exemption from taxes on homestead property. Under certain circumstances, the veteran's surviving spouse may be entitled to carry over these exemptions.

*Permanently and Totally Disabled Veterans.* A military veteran who is a resident of the State and was honorably discharged with a service-related total and permanent disability may be eligible for a total exemption from taxes on property they own and use as their homesteads. A similar exemption is available to disabled veterans confined to wheelchairs. Under certain circumstances, the veteran's surviving spouse may be entitled to carry over these exemptions.

*Discounts for Disabled Veterans.* Each veteran who is age 65 or older and is partially or totally permanently disabled may receive a discount on the assessed value of the property that the veteran owns and uses as a homestead. The discount is a percentage equal to the percentage of the veteran's permanent, service-connected disability as determined by the United States Veteran's Affairs.

*Deployed Military Personnel.* Each person who receives a homestead exemption; who was a member of the United States military or military reserves, the United States Coast Guard or its reserves, or the Florida National Guard; and who was deployed during the preceding calendar year on active duty outside the continental United States, Alaska, or Hawaii in support of military operations designated by the Florida Legislature shall receive an additional exemption equal to a percentage of the taxable value of his or her homestead property. The applicable percentage shall be calculated as the number of days during the preceding calendar year the person was deployed on active duty outside the continental United States, Alaska, or Hawaii in support of military operations designated by the legislature divided by the number of days in that year.

*Survivors of First Responders.* Any real estate that is owned and used as a homestead by the surviving spouse of a first responder (law enforcement officer, correctional officer, firefighter, emergency medical technician or paramedic), who died in the line of duty may be granted a total exemption on homestead property if the first responder and his or her surviving spouse were permanent residents of the State on January 1 of the year in which the first responder died.

*Certain Totally and Permanently Disabled Persons.* Any real estate used and owned as a homestead by a quadriplegic, less any portion used for commercial purposes, is exempt from all ad valorem taxation. Real estate used and owned as a homestead by a paraplegic, hemiplegic, or other totally and permanently disabled person, who must use a wheelchair for mobility or who is legally blind, is exempt from taxation if the gross household income is below statutory limits.

Other Exemptions. Other exemptions include, but are not limited to, nonprofit homes for the aged (subject to income limits for residents), proprietary continuing care facilities, not for profit sewer water/waste water systems, certain hospital facilities and nursing homes for special services, charter schools, certain historic property used for commercial purposes, and certain tangible personal property.

### **Legislation Relating to Ad Valorem Taxation**

Recent Amendments Relating to Ad Valorem Taxation. In recent legislative session, several legislative proposals and constitutional amendments were passed affecting ad valorem taxation, including classification of agricultural lands during periods of eradication or quarantine, deleting requirements that conservation easements be renewed annually, providing that just value of real property shall be determined in the first tax year for income restricted persons age 65 or older who have maintained such property as the permanent residence for at least 25 years, authorizing a first responder who is totally and permanently disabled as a result of injuries sustained in the line of duty to receive relief from ad valorem taxes assessed on homestead property, revising procedures with respect to assessments, hearings and notifications by the value adjustment board, and revising the interest rate on unpaid ad valorem taxes.

Future Amendments Relating to Ad Valorem Taxation. Historically, various legislative proposals and constitutional amendments relating to ad valorem taxation have been introduced in each session of the Florida Legislature. Many of these proposals have provided for new or increased exemptions to ad valorem taxation and limited increases in assessed valuation of certain types of property or otherwise restricted the ability of local governments in the State to levy ad valorem taxes at current levels. There can be no assurance that similar or additional legislative or other proposals will not be introduced or enacted in the future that would have a material adverse effect upon the collection of ad valorem taxes by the District, the District's finances in general or the District's ad valorem taxing power.

2017 State Legislative Session. During the 2017 State legislative session, several proposals were approved affecting ad valorem taxation. Such proposals include:

*Extending the Limitation on Assessed Values of Non-Homesteaded Real Property.* Committee Substitute for House Joint Resolution 21 proposes an amendment to the Constitution of the State of Florida to remove the scheduled January 1, 2019 repeal of the limitation prohibiting the increase in the assessed value of non-homestead property to 10% per year. The limitation does not apply to property taxes levied by school districts. In order for the 10% assessment limitation to continue, this constitutional amendment will need to be approved by at least 60% of the electors of the next general election in November 2018.

*Exempting Assessed Value of a Renewable Energy Device.* Senate Bill 90 ("SB 90") implements amendment to the Constitution of the State of Florida exempting the assessed value of property subject to tangible personal property tax, which was approved by the voters in August 2016. SB 90 exempts the assessed value of a renewable energy device from tangible personal property tax and the installation of those devices from determining the assessed value of real property, both residential and non-residential, for the purpose of ad valorem taxation. SB 90 also revises the definition of "renewable energy source device" to include power conditioning and storage devices, wiring, structural support and other components used as integral parts of such systems. The changes made by SB 90 expire on December 31, 2037.

*Further Increase in Homestead Exemption.* House Joint Resolution 7105 ("HJR 7105") proposes an amendment to the Constitution of the State of Florida to increase the homestead exemption for homestead property with an assessed value greater than \$50,000 and up to \$100,000 for all levies other than school district levies. The proposed constitutional amendment must still be approved by at least 60% of the electors at the next general election in November 2018, or at an earlier special election, if any, authorized for such purpose. The approval of this amendment would result in the increase of the homestead exemption from \$50,000 to \$75,000 for properties with an assessed value over \$100,000. However, this exemption would not apply to school district taxes.

### Property Tax Levies and Collections

The following table shows the District's property tax levies and collections for Fiscal Years 2009-10 through 2018-19.

#### PROPERTY TAX LEVIES AND COLLECTIONS (Unaudited)

Fiscal Year	Taxes Levied For The Fiscal Year	Collected Within The Fiscal Year Of The Levy		Collections In Subsequent Years	Total Collections To Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2018	\$67,116,746	\$61,685,964*	91.91%	N/A	\$61,685,964	91.91%
2017	64,916,648	62,558,714	96.67	27,930	62,586,644	96.41
2016	64,754,047	61,933,174	95.64	68,114	62,001,288	95.75
2015	64,108,110	62,469,814	97.44	150,373	62,620,187	97.68
2014	64,496,354	62,207,329	96.45	2,227,811	64,435,140	103.58
2013	63,972,647	61,367,207	95.92	1,228,889	62,596,096	102.00
2012	62,544,967	60,017,098	95.96	4,209,207	66,754,174	106.70
2011	65,901,183	62,902,397	95.45	972,728	63,875,125	96.92
2010	65,958,345	62,588,731	94.89	811,105	63,399,836	96.12

\*In current fiscal year so collections and percentages will increase.

Source: *The Tax Collector of Santa Rosa County, Florida.*

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The following table contains the list of the County's ten largest taxpayers. No single taxpayer in the County paid more than 1.36% of the total ad valorem taxes levied in the Fiscal Year 2017-18.

**PRINCIPAL PROPERTY TAXPAYERS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2018**  
**(Unaudited)**

Taxpayer	Assessed Values	Percentage of Total Assessed Taxable Valuation
Gulf Power	\$130,418,939	1.36%
Breitbart Operating	117,823,926	1.23
Florida Gas Transmission	84,927,220	0.89
BellSouth Telecomm	53,809,232	0.56
Taminco Us	44,224,492	0.46
WalMart Stores East	34,062,127	0.36
Escambia River Electric Coop	20,242,633	0.21
Andrews Institute Medical Park	18,031,763	0.19
TTN Inc.	17,083,839	0.18
Santa Rosa Energy LLC	16,795,588	0.18
Total Assessed	<u>\$9,584,540,570</u>	<u>5.62%</u>

Source: Santa Rosa County, Florida Comprehensive Annual Financial Report for Fiscal Year Ended September 30, 2018.

**LEGISLATIVE CHANGES AFFECTING DISTRICT REVENUES**

**Class Size Reduction**

Amendment 9 to the Constitution of the State of Florida requires that the Florida Legislature provide funding for sufficient classrooms so that class sizes can be reduced to certain constitutional class size maximums by the beginning of the 2011 school year. Section 1003.03, Florida Statutes, implements Amendment 9 (together with Amendment 9, 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 third grade, 22 for grades fourth through eighth and 25 for grades ninth through 12th. Compliance is determined on a period-by-period basis. In the event a school district is not in compliance with such requirements, the legislation provides that the State shall reduce the FEFP categorical funds and the base student allocation due to such school district for operational purposes. For those school districts that are in compliance with the constitutional amendment additional funds shall be distributed. The additional distribution is calculated by taking 25% of the total funds reduced from those school districts not in compliance and distributing an amount up to 5% of the base student allocation multiplied by the total district full-time equivalent students. School districts not in compliance are required to submit to the Commissioner a corrective action plan that describes specific actions the district will take in order to fully comply with the requirements by October of the following

year. If the district submits the certified plan by the required deadline, the funds remaining after the reallocation to school districts will be reallocated based upon each school district's proportion of the total reduction. However, no district shall have an amount added back that is greater than the amount that was reduced.

The Class Size Legislation also created 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.

Due to the District's student assignment process, the District is on a school wide average for its schools of choice. As of the October 2018 Survey, the week during which the Department of Education determined compliance with class size maximum for the 2018-19 school year, the District was in compliance with the requirements of the Class Size Legislation, and the District expects to be in compliance in the current school year. There can be no assurances that the District will be able to maintain its class size in the manner currently mandated by the Class Size Legislation. While the Class Size Legislation requires that the Florida Legislature, and not local school districts, is generally responsible for the cost of compliance, there can be no assurance that the Florida Legislature will provide funds sufficient to meet the ongoing capital, facility, and operating 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 ongoing capital, facility and operating 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.

### **Pre-K Programs**

The Constitution of the State of Florida provides that every four year old child in the State shall be offered a free, high quality pre-kindergarten learning opportunity by the State. Chapter 1002, Part V, Florida Statutes, creates a statewide Voluntary Pre-kindergarten Education Program (together with the Constitutional amendment, 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 pre-kindergarten ("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 Pre-K program delivered by a public school. The Pre-K Legislation also requires school districts to deliver summer Pre-K programs and permits school districts to deliver school year Pre-K programs. Additionally, the Pre-K Legislation appropriates State funds to finance the Pre-K programs and provides the method for calculating the funds allocated to each Pre-K program provider.

There can be no assurance that the Florida Legislature will provide funds sufficient to meet the ongoing capital and facility needs of the District required by the Pre-K Legislation. Further, there can be no assurance that the District will have funds sufficient to meet the ongoing capital and facility needs of

the District required by the Pre-K Legislation or that ongoing compliance therewith will not adversely affect other capital needs and operating costs of the District.

### **Reading Mandate**

In 2012, the Florida Legislature mandated that all elementary schools which are determined to be among the lowest 100 schools in the State for reading performance must provide an additional hour of reading instruction beyond the normal school day. In 2014, the Florida Legislature expanded the mandate to include the lowest 300 schools in the State. For Fiscal Year 2018-19, the State has determined that none of the District's elementary schools fall into the lowest 300 designation.

### **Educational Choice**

On April 14, 2016, Governor Rick Scott approved House Bill 7029 ("HB 7029"). Among other things, HB 7029 allows a parent to seek enrollment in and transport his or her child to any public school in the State, including a charter school, which has not reached capacity. The school district or charter school shall accept and report the student for purposes of funding through the FEFP. The school district or charter school may provide student transportation at their discretion. HB 7029 requires the capacity determinations of each school district and charter school to be current and identified on their respective school websites. Each school must provide preferential treatment in its controlled open enrollment process to: (a) dependent children of active duty military personnel who moved as a result of military orders, (b) children relocated due to foster care placement in a different school zone, (c) children relocated due to a court ordered change in custody as a result of separation or divorce, or the serious illness or death of a parent, and (d) students residing in the school district. Students residing in the school district may not be displaced by a student from another school district. A student who transfers may remain at the school until the student completes the highest grade level offered. This amendment went into effect for the 2017-18 school year. At present, the impact of the school choice provisions of HB 7029 on the District's finances has been minimal.

HB 7029 also revises the method for enforcing compliance with the Class Size Legislation to clarify that for purposes of enforcing compliance, the calculation is based upon the statutory formula used to determine the reduction in class size categorical funding for noncompliance. See "LEGISLATIVE CHANGES AFFECTING DISTRICT REVENUES – Class Size Reduction." At present, it is not anticipated that the Class Size Legislation compliance enforcement provisions of HB 7029 will have any significant impact on the District's finances.

### **Schools of Hope**

In addition to the requiring school districts to share the Capital Outlay Millage with charter schools, HB 7069 also establishes the Schools of Hope Program to encourage traditional public schools within the State and charter operators throughout the country to replicate their model and service students from persistently low-performing schools. HB 7069 provides for the establishment of Schools of Hope, which are charter schools operated by a Hope Operator to service students from one or more persistently low-performing schools; are located within the attendance zone of the persistently low-performing school or within a five mile radius of such school, whichever is greater; and is a Title I eligible school. HB 7069 defines "persistently low-performing schools as schools that have earned three consecutive school grades below a "C," and defines "Hope Operators" as nonprofit organizations that operate three or more charter schools with a record of serving students from low-income families and



receives such designation from the FDOE. Pursuant to HB 7069, the statutory requirements for the application, approval, and contract that apply to charter schools do not apply to Schools of Hope; instead, a Hope Operator submits a notice of intent to a school district in order to open a School of Hope and the school district is required to enter into a performance based agreement with a Hope Operator within 60 days of receiving a notice of intent.

In addition, HB 7069 also (a) provides Schools of Hope with certain statutory authority, including, but not limited to, allowing a School of Hope to be designated as a local educational agency for the purposes of receiving federal funds; (b) provides that Schools of Hope are exempt from Chapters 1000-1013, Florida Statutes, and all school board policies, except any laws related to (i) the student assessment program and school grading system, (ii) student progression and graduation, (iii) provisions of services to students with disabilities, (iv) civil rights, (v) student health, safety, and welfare, (vi) public meetings, (vii) public records, and (viii) the code of ethics for public officers and employees.; (c) provides provisions for facilities for Schools of Hope; (d) provides provisions for funding Schools of Hope, including that they be funded in accordance with the statutory provisions relating to funding for charter schools and be considered a charter schools for purposes of charter school capital outlay; (e) establishes the School of Hope Program to cover specified operational expenses for Schools of Hope; and (f) establishes the Schools of Hope Revolving Loan Program to help Schools of Hope cover school building construction and startup costs.

The District does not currently have any schools that are considered "persistently low-performing schools under HB 7069. At this time, the School Board cannot determine what impact HB 7069 will have on if any of the District's schools were to become persistently low-performing schools.

### **Distribution of Capital Outlay Millage Revenues to Charter Schools**

In 2017, the Florida Legislature passed HB 7069 which, among other things, requires school districts to distribute revenues generated from the Capital Outlay Millage on a per student basis between traditional schools and charter schools. HB 7069 establishes the calculation methodology to determine the amount of local capital outlay funds from the Capital Outlay Millage a school district must distribute to each eligible charter school. Such calculation provides that the amount of local capital outlay funds from the Capital Outlay Millage a school district must distribute to each eligible charter school will first be reduced by the school district's annual debt service for obligations issued or incurred as of March 1, 2017 (which includes the Series 2019 Lease Agreement) that are being satisfied by the Capital Outlay Millage revenues, and requires the first payment to charter schools as of February 1 of each year, commencing February 1, 2018. The remaining Capital Outlay Millage revenue would be divided by the total of capital outlay FTE students in traditional public schools and eligible charter schools in the school district, then multiplied by the total of capital outlay FTE students in each eligible charter school in the school district to determine each charter school's allocation. However, to the extent a charter school receives State charter school capital outlay funding in the general appropriations act, its share of the Capital Outlay Millage would be reduced by a like amount.

On October 17, 2017, thirteen State district school boards (collectively, the "Plaintiff School Boards"), filed their suit in the Circuit Court of the Second Judicial Circuit in and for Leon County, Florida, against the Florida Department of Education, the State Board of Education, and its Commissioner and Chair, challenging, among other things, the provisions of HB 7069 requiring school districts to distribute Capital Outlay Millage revenues to charter schools, and seeking declaratory and injunctive relief. In addition to challenges to other provisions of HB 7069, the complaint alleges that the provisions

of HB 7069 which require the Plaintiff School Boards to distribute Capital Outlay Millage revenues to charter schools in their respective districts (a) constitutes an unconstitutional infringement on the Plaintiff School Boards' authority to control and supervise the use of Capital Outlay Millage revenues within their jurisdictions by redirecting that authority to the unelected governing boards of charter schools, (b) are in effect an ad valorem tax levied by the State in violation of the Florida Constitution, and (c) constitutes an unconstitutional diversion of the Plaintiff School Boards' locally levied and raised ad valorem tax revenues to a state purpose mandated by the Legislature. On April 5, 2018, a circuit court judge for the Second Judicial Circuit in and for Leon County, Florida entered a summary judgment against the Plaintiff School Boards on all counts. On May 16, 2018, certain of the Plaintiff School Boards filed an appeal against the summary judgment, which is currently pending.

On September 27, 2017, The School Board of Palm Beach County, Florida (the "School Board of Palm Beach County") voted to file its own lawsuit challenging the provisions of HB 7069 requiring school districts to distribute Capital Outlay Millage revenues to charter schools. On September 28, 2017, the School Board of Palm Beach County filed its lawsuit against the Florida State Board of Education, the Florida Department of Education, and its Commissioner, in the Circuit Court of the Second Judicial Circuit in and for Leon County, Florida, seeking declaratory and injunctive relief. The complaint alleges the provisions of HB 7069 requiring the School Board of Palm Beach County to distribute Capital Outlay Millage revenues to charter schools in the District (a) constitute an unlawful infringement on the School Board of Palm Beach County's constitutionally granted authority to operate, control and supervise all free public schools in the District, (b) place an unconstitutional constraint on the School Board of Palm Beach County's authority to levy ad valorem taxes for its own purposes, and (c) are in effect an ad valorem tax levied by the State in violation of the Florida Constitution. On January 18, 2018, the Court denied the School Board of Palm Beach County's motion for a preliminary injunction. On June 6, 2018, the Court granted a motion for stay pending appeal of the Plaintiff School Boards' lawsuit described above.

On November 13, 2017, nine State district school boards (the "Petitioner School Boards") filed petitions for writs of quo warranto and mandamus in the Supreme Court of Florida against the Speaker of the Florida House of Representatives, the President of the Florida Senate, the Florida House of Representatives, the Florida Senate, the Secretary State of Florida, and the Florida Commissioner of Education (collectively, the "Respondents"). The petition requests the Florida Supreme Court exercise its discretion and accept original jurisdiction over the petition to prevent direct and immediate adverse effects on the functions of State school boards. Additionally, in the petition, the Petitioner School Boards seek (a) a writ of quo warranto finding that certain of the Respondents acted beyond their constitutional authority by enacting HB 7069 in violation of the single-subject requirement of the Florida Constitution, (b) a writ of mandamus directing those Respondents to comply with the single-subject requirement of the Florida Constitution, and (c) a writ of mandamus directing the Secretary of State to expunge HB 7069 from the official records of the State as an unconstitutional law enacted in violation of the Florida Constitution and directing the Commissioner of Education to halt any and all implementation of HB 7069. On December 19, 2017, the Florida Supreme Court transferred the petitions for writs of quo warranto and mandamus to the Circuit Court of the Second Judicial Circuit in and for Leon County, Florida. [On January 4, 2018, the case was received by the Circuit Court of the Second Judicial Circuit in and for Leon County, Florida, where it is currently pending.]

**[At this time, the outcome of such suits or an appeals thereto cannot be determined. Even if these provisions of HB 7069 are ultimately upheld, they are not expected to adversely affect the ability of the School Board to make Basic Rent Payments.]**

On March 11, 2018, Governor Rick Scott approved Committee Substitute for House Bill 7055 ("CS/HB 7055"). CS/HB 7055, among other things, revises certain of the requirements of HB 7069 relating to the required sharing of the Capital Outlay Millage revenues with charter schools. CS/HB 7055 specifies that charter school capital outlay funds shall consist of State funds when such funds are appropriated. However, if in any given year the amount of State funds is not equal to, or is less than, the average charter school capital outlay funds per unweighted FTE student for the Fiscal Year 2018-19, multiplied by the estimated number of charter school students for the applicable fiscal year and adjusted for inflation from the previous year, charter school capital outlay funds shall also consist of the Capital Outlay Millage revenue. CS/HB 7055 also seeks to clarify that the debt service obligation that can be reduced from the distribution to charter schools is the debt service obligation incurred as of March 1, 2017, which has not been subsequently retired, and also requires each school district to annually certify to the Florida Department of Education the amount of the debt service obligation that can be reduced from the distribution to charter schools. The bill provides that such amount shall be verified by the Auditor General during its operational audit. Additionally, in the event aggregate lease-purchase agreement payments, including lease-purchase agreements entered into prior to June 30, 2009, exceed three-fourths of the Capital Outlay Millage revenues, CS/HB 7055 provides that a school district may not withhold administrative expenses authorized by law from any charter school operating in the school district.

At this time, the School Board cannot determine the long-term impact of HB 7069 and CS/HB 7055 on the amount of revenues available to the School Board from the Capital Outlay Millage to make Basic Rent Payments under the Master Lease in future years. For Fiscal Year 2017-18, the impact on the District due to the provisions of HB 7069 was \$23,593. For Fiscal Year 2018-19, there was no impact to the District because CS/HB 7055 provided the baseline State funding for determining whether charter schools receive any Capital Outlay Millage revenues. No assurance can be given that the State will appropriate at least an equal amount of charter school capital outlay funding per unweighted FTE student in future years to that budgeted in Fiscal Year 2018-19. While HB 7069 and CS/HB 7055 may result in a reduction in the amount of Capital Outlay Millage revenues of the District, the School Board, at this time, does not expect the long-term impact of HB 7069 and CS/HB 7055 to materially adversely affect its ability to make Basic Rent Payments under the Master Lease.

### **Public Safety Mandate**

In 2018, the Florida Legislature passed Senate Bill 7026 ("SB 7026") which, among other things, includes provisions designed to: enhance school safety policies, procedures, and personnel at the State and local level; improve and expand mental health services; and revise laws and empower law enforcement and the courts to limit access to firearms by young adults or by individuals exhibiting a risk of harming themselves or others. Specifically, SB 7026 requires each school board and superintendent to partner with law enforcement agencies to establish or assign one or more safe-school officers at each school facility within the district by implementing any combination of the following options: (a) establish school resource officer programs through cooperative agreements with law enforcement agencies; (b) commission one or more school safety officers for the protection and safety of school personnel, property, and students within the school district; (c) at a school district's discretion, and if established by the sheriff's office, participate in the Guardian Program, which allows certain school employees (but not employees who exclusively perform classroom duties as classroom teachers) to carry a firearm on school grounds if such employee volunteers and completes the statutorily required training. For Fiscal Year 2018-19, the Florida Department of Education allocated \$1,416,883 to the District for school safety, an increase of \$1,032,274. Of this, approximately \$6,389 will be allocated to charter schools. The remaining \$1,410,494 will be applied to the total cost of implementing SB 7026, which is approximately \$1,910,494.

The additional cost to the District has been funded from the general fund. The District has complied with the mandate by adding school resource officers to every school and adding additional security features at every school.

## **RISK FACTORS**

The purchasers of the Series 2019 Certificates is subject to certain risks. Each prospective investor in the Series 2019 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 2019 Certificates to an extent that cannot be determined. The following is not, and is not intended to be, a complete description of all the risk factors that may affect the repayment of the Series 2019 Certificates.

### **Annual Right of the School Board to Terminate the Lease Agreement**

Although the School Board has determined in the Master Lease that the Series 2019 Project is necessary to its operations and currently intends to continue the Series 2019 Lease Agreement with respect to the Series 2019 Project for the Maximum Lease Term and has covenanted in the Series 2019 Lease Agreement that the Superintendent will include a sufficient amount in the tentative Budget and final Budget to enable the School Board to pay the Basic Rent Payments due in each Fiscal Year, **the School Board is not required to appropriate funds to pay the 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 in a line item specifically identified for payment of its obligations under the Master Lease, the Series 2019 Lease Agreement shall terminate as of the last day of the Initial Lease Term or last Renewal Lease Term for which moneys have been budgeted and appropriated with respect to the Series 2019 Project, the Prior Projects and all other Projects financed thereunder, and the School Board will not be obligated to make Basic Rent Payments accruing or arising thereafter, and the School Board shall be required to surrender use, possession and control of the Series 2019 Project, the Prior Projects and all other Projects (in each case, excluding Designated Equipment) to the Trustee within 60 Business Days after the date on which such Event of Non-Appropriation occurs.

THE LIKELIHOOD THAT THE SERIES 2019 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 CERTIFICATE OWNERS, INCLUDING THE CONTINUING FUTURE UTILITY OF THE SERIES 2019 PROJECT AND THE PRIOR PROJECTS TO THE SCHOOL BOARD AND CHANGES IN POPULATION OR DEMOGRAPHICS WITHIN THE COUNTY (WHICH MAY IMPACT SUCH FUTURE UTILITY).

### **No Right of Series 2019 Certificate Owners to Direct Remedies or Consent to Amendments**

Termination of the Series 2019 Lease Agreement will not result in termination of the Policy. 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 with respect to the Series 2019 Certificates, including the right to direct the Trustee as to whether or not to relet or sell the Series 2019 Project (excluding Designated Equipment). The Insurer may elect, subsequent to the termination of the Series 2019 Lease Agreement, to accelerate the maturity of all of the Series 2019 Certificates then outstanding, in which case the Principal Component and the Interest Component of the Basic Rent Payments represented by the Series 2019 Certificates shall become due and payable immediately. If the Insurer does not elect to

accelerate the maturity of all Series 2019 Certificates outstanding, it has an obligation to continue to make payments to Owners of the Series 2019 Certificates in accordance with the original schedule of Basic Rent Payments represented by the Series 2019 Certificates. However, the Insurer has no fiduciary responsibility to the Owners of the Series 2019 Certificates 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 Insured Series 2019 Certificate Owners by the Insurer and designated as interest.

The Insurer is deemed to be the owner of the Series 2019 Certificates for certain purposes.

#### **Limitation on Disposition; Ability to Sell or Relet**

Following an Event of Default under the Trust Agreement (which includes an Event of Non-Appropriation or Event of Default under the Master Lease), the Trustee may take possession of all or a portion of the Series 2019 Project (other than Designated Equipment). However, due to the governmental nature of the Series 2019 Project, it is not certain whether a court would permit the exercise of the remedies to sell, relet or dispose of the Series 2019 Project. Also, there is no assurance that the Trustee will be able to sell, relet or dispose of the components of the Series 2019 Project or that the Owners of the Series 2019 Certificates will obtain payment of all or any portion of the Principal Component or the Interest Component thereof upon an Event of Default under the Trust Agreement.

#### **No Series 2019 Reserve Account**

There is no Reserve Account for the Series 2019 Certificates. However, pursuant to a Supplemental Trust Agreement authorizing the issuance of any Series of Certificates, there may be established and maintained a separate Reserve Account to secure the payment of the principal and/or interest portion of the Basic Rent Payments related to such Series of Certificates. Each such Reserve Account shall secure only the Series of Certificates for which it has been established. See "APPENDIX C: MASTER TRUST AGREEMENT AND FORM OF SERIES 2019 SUPPLEMENTAL TRUST AGREEMENT."

#### **Tax Exempt Status**

Upon termination of the Master Lease, there is no assurance that payments made by the Trustee or the Insurer, if any, with respect to the Series 2019 Certificates and the Interest Component of the Basic Rent Payments represented by the Series 2019 Certificates will be excludable from gross income for federal income tax purposes. See "TAX MATTERS" herein.

#### **Applicability of Securities Laws**

In the event of the termination of the Master Lease, the transfer of a Series 2019 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 2019 Certificates will not be impaired following termination of the Master Lease.

#### **Capital Outlay Millage Levy**

The amount which can be realized by the District derived from the Capital Outlay Millage can be affected by a variety of factors not within the control of the District or the School Board including, without limitation, fluctuations in the level of the assessed valuation of property within the District. See

"AD VALOREM TAXATION – Assessed Valuation of Taxable Property." Moreover, the maximum Capital Outlay Millage that may be levied and used for Lease Payments is subject to legislative change. See "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS – Local Sources" and "LEGISLATIVE CHANGES AFFECTING DISTRICT REVENUES – Distribution of Capital Outlay Millage Revenues to Charter Schools."

### **State Revenues**

A large portion of the District's funding is derived from State sources. See "FINANCIAL RESULTS AND LIABILITIES OF THE DISTRICT." A significantly large percentage of such State revenues is generated from the levy of the State sales tax. The amounts budgeted for distribution from the State to the District are subject to change in the event that projected revenues are not realized.

[On April \_\_, 2019, the Florida Legislature adopted a State education budget for State fiscal year 2019-20 providing for an approximately \$\_\_ million or \_\_\_\_% increase in State and local FEFP funding for K-12 public schools over State fiscal year 2018-19 reflecting a per-pupil increase of approximately \$\_\_ per student or \_\_\_\_% over Fiscal Year 2018-19. The estimated increase for the District is approximately \$\_\_\_\_\_ in funds over Fiscal Year 2018-19. However, there can be no assurance that funding for K-12 public schools will increase exactly as provided for in the approved budget.]

### **Additional Lease Schedules**

The School Board may enter into other Lease Schedules in addition to Lease Schedule No. 2006-2, Lease Schedule No. 2009, the Amended and Restated Lease Schedule No. 2006 and Lease Schedule No. 2019. Failure to appropriate funds to pay Basic Rent under any such Lease Schedules will, or an Event of Default under any such Lease Schedules, may result in the termination of all Lease Schedules, including the Lease Schedule No. 2019. Upon any such termination of all Lease Schedules, the School Board must surrender all Projects (other than Designated Equipment), including the Series 2019 Project, 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 2019 Certificates have any interest in or right to any proceeds of the disposition of facilities financed with the proceeds of another Series of Certificates, except for the Series 2019 Project (excluding components of the Projects classified as Designated Equipment). In no event will Series 2019 Certificate holders have any interest in or rights to Designated Equipment. 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 2019 Project will produce sufficient amounts to pay the Series 2019 Certificates.

### **Additional Indebtedness**

The School Board may issue additional indebtedness other than in connection with the Master Lease secured by or payable from Available Revenues without the consent of the Owners of the Series 2019 Certificates. Incurring such additional indebtedness may adversely affect the School Board's ability to make Lease Payments under the Master Lease. See "SECURITY FOR THE SERIES 2019 CERTIFICATES – Additional Series of Certificates" herein.

### **Legislative Changes**

In recent years, legislation has been introduced that has reduced State funding for school districts, required that certain percentages of school district funding be spent on particular activities and imposed additional funding restrictions and other requirements on school districts. Many proposals have sought to provide for new or increased exemptions to ad valorem taxation, limit increases in assessed valuation of certain types of property or otherwise restrict the ability of local governments in the State to levy ad valorem taxes at historical levels. Other proposals have sought to restrict the ability of local governments to use certain revenues for payment of debt service or provide for additional procedures and notices in order to issue tax-supported debt. There can be no assurance that similar or additional legislative or other proposals will not be introduced or enacted in the future that would, or might apply to, or have a material adverse effect upon, the District or its finances.

### **Constitutional Amendments**

See "AD VALOREM TAXATION – Legislation Relating to Ad Valorem Taxation," and "LEGISLATIVE CHANGES AFFECTING DISTRICT REVENUES" for information concerning certain amendments to the Constitution of the State of Florida and other legislative proposals that could materially adversely affect the District's financial situation.

### **Property and Casualty Insurance**

As a result of the substantial property damage caused by hurricanes and other storms in the State and other parts of the United States over the last few years, property insurance premiums have risen dramatically for State 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.

Under the current provisions of the Master Lease, the District is required to purchase property insurance in an amount equal to one hundred percent (100%) of the replacement cost of the Projects, or the aggregate coverage of all such policies on the Projects must at least equal the Principal Component of the Basic Rent Payments then remaining unpaid, whichever is greater (except that such insurance may be subject to deductible clauses not to exceed \$100,000 in the aggregate for any one loss). Under the provisions of the Lease Schedule No. 2019, the District is required to purchase property insurance at such coverage levels as are available at commercially reasonable costs to the School Board. [The District's current property insurance provides for coverage limits of [TO COME]. As such, the District currently [does] [does not] comply with the property insurance requirements contained within the Master Lease with respect to the Prior Projects. With respect to the Series 2019 Project, the District intends to comply with the requirements of Lease Schedule No. 2019.] 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

### **Climate Change and Natural Disasters**

The State is naturally susceptible to the effects of extreme weather events and natural disasters including floods, droughts, and hurricanes, which could result in negative economic impacts on coastal communities such as the District. Such effects can be exacerbated by a longer term shift in the climate over several decades (commonly referred to as climate change), including increasing global temperatures and rising sea levels. The occurrence of such extreme weather events could damage the Projects, including the Series 2019 Project, or the local infrastructure that provides essential services to the District.

The economic impacts resulting from such extreme weather events could include a loss of property values, a decline in revenue base (e.g., the Capital Outlay Millage revenues), and escalated recovery costs. No assurance can be given as to whether future extreme weather events will occur that could materially impair the financial condition of the District or damage the Projects.

On October 10, 2018, Hurricane Michael, a Category 4 hurricane, impacted the Northwest Florida area. A major disaster declaration was declared on October 11, 2018. While the County was impacted by rain and some tropical storm force winds, it was not a designated county for receipt of any kind of federal assistance. A couple of District facilities were opened as shelters but only housed a few people during Hurricane Michael. In anticipation of the storm, the District cancelled classes beginning on, half day on October 9, 2018; classes resumed in the District on October 11, 2018. There was no damage to the District's facilities from rainfall and wind.

## **LEGAL MATTERS**

Certain legal matters in connection with the issuance of the Series 2019 Certificates are subject to an approving legal opinion of Bryant Miller Olive P.A., Tallahassee, Florida, Special Counsel, whose approving opinion (a form of which is attached hereto as "APPENDIX G: FORM OF OPINION OF SPECIAL COUNSEL") will be available at the time of delivery of the Series 2019 Certificates. The actual legal opinion to be delivered by Special Counsel may vary from that text if necessary to reflect facts and law on the date of delivery. The opinion will speak only as of its date and subsequent distribution of it by recirculation of this Offering Statement or otherwise shall create no implication that Special Counsel has reviewed or expresses any opinion concerning any of the matters referenced in the opinion subsequent to its date. Certain legal matters will be passed on for the School Board and the Corporation by Paul R. Green, Esquire, Milton, Florida, Counsel to the School Board. Certain legal matters will be passed on for the School Board by Bryant Miller Olive P.A., Orlando, Florida, Disclosure Counsel to the School Board. Certain legal matters will be passed on for the Underwriters by its Counsel, Marchena and Graham, P.A., Orlando, Florida. Bryant Miller Olive P.A. may, from time to time, serve as counsel to the Underwriters. The Underwriters have not identified any potential or actual material conflicts that require disclosure.

## **CONTINUING DISCLOSURE**

The School Board has covenanted and undertaken for the benefit of Series 2019 Certificate holders to execute and deliver a Disclosure Dissemination Agent Agreement (the "Disclosure Agreement") wherein the School Board will agree to provide certain financial information and operating data relating to the School Board, the District and the Series 2019 Certificates in each year (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events. Such undertaking shall only apply so long as the Series 2019 Certificates remain Outstanding under the Trust Agreement, the Series 2019 Lease Agreement has not been terminated or there has not occurred an Event of Non-Appropriation resulting in a termination of the Master Lease. The covenant shall also terminate upon the termination of the Rule 15c2-12(b)(5) of the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934, each as amended (the "Rule"), by legislative, judicial or administrative action. The Annual Report and the notices of material events, if any, will be filed by the School Board or its dissemination agent with the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access System described in the Disclosure Agreement. The specific nature of the information to be contained in the Annual Report and the notices of material events, are described in the Disclosure Agreement to be dated and delivered at the time of issuance of the Series 2019 Certificates. See "APPENDIX H: FORM OF DISCLOSURE DISSEMINATION AGENT



AGREEMENT" attached hereto. With respect to the Series 2019 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 Rule.

Upon a recent review of the School Board's information on file with EMMA for the last five years, it was discovered that [TO COME]. The School Board has retained Digital Assurance Certification, L.L.C., as its dissemination agent.

## **LITIGATION**

Concurrently with the delivery of the Series 2019 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 Counsel to the School Board, threatened against the School Board (i) that seeks to restrain or enjoin the issuance or delivery of the Series 2019 Certificates, the Master Lease, the Series 2019 Ground Lease, the Series 2019 Ground Lease Assignment or the Series 2019 Lease Agreement or (ii) questioning or affecting the validity of the Series 2019 Certificates, the Master Lease, the Series 2019 Ground Lease, the Series 2019 Ground Lease Assignment or the Series 2019 Lease Agreement or any proceedings of the School Board or actions of the Trustee with respect to the authorization, sale, execution or issuance of the Series 2019 Certificates or the transactions contemplated by this Offering Statement or the Master Lease, the Trust Agreement, the Series 2019 Lease Agreement, the Series 2019 Ground Lease, the Series 2019 Ground Lease Assignment 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 (iii) questioning or affecting the creation, organization nor 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 2019 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 MATTERS**

General. The Code establishes certain requirements which must be met subsequent to the issuance of the Series 2019 Certificates in order that the Interest Component of the Basic Rent Payments received by the Owners of the Series 2019 Certificates be and remain excluded from gross income for purposes of federal income taxation. Non-compliance may cause the Interest Component of the Basic Rent Payments on the Series 2019 Certificates to be included in federal gross income retroactive to the date of issuance of the Series 2019 Certificates, regardless of the date on which such non-compliance occurs or is ascertained. These requirements include, but are not limited to, provisions which prescribe yield and other limits within which the proceeds of the Series 2019 Certificates and the other amounts are to be invested and require that certain investment earnings on the foregoing must be rebated on a periodic basis to the Treasury Department of the United States. The School Board and the Corporation have covenanted in the Master Lease to comply with such requirements in order to maintain the exclusion from federal gross income of the Interest Component of the Basic Rent Payments on the Series 2019 Certificates.

In the opinion of Special Counsel assuming compliance with certain covenants, under existing laws, regulations, judicial decisions and rulings, the Interest Component of the Basic Rent Payments on the Series 2019 Certificates is excluded from gross income for purposes of federal income taxation and is not an item of tax preference for purposes of the federal alternative minimum tax. However, no opinion is expressed with respect to the federal income tax consequences of any payments received or to be received with respect to the Series 2019 Certificates following termination of the Series 2019 Lease Agreement as a result of an Event of Non-Appropriation or the occurrence of an Event of Default thereunder.

Except as described above, Special Counsel will express no opinion regarding other federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of Series 2019 Certificates. Prospective purchasers of Series 2019 Certificates should be aware that the ownership of Series 2019 Certificates may result in collateral federal income tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry Series 2019 Certificates; (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by fifteen percent (15%) of certain items, including the Interest Component of the Basic Rent Payments on the Series 2019 Certificates; (iii) the inclusion of the Interest Component of the Basic Rent Payments on the Series 2019 Certificates in earnings of certain foreign corporations doing business in the United States for purposes of the branch profits tax; (iv) the inclusion of the Interest Component of the Basic Rent Payments on the Series 2019 Certificates in passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year; and (v) the inclusion of the Interest Component of the Basic Rent Payments on the Series 2019 Certificates in "modified adjusted gross income" by recipients of certain Social Security and Railroad Retirement benefits for the purposes of determining whether such benefits are included in gross income for federal income tax purposes.

As to questions of fact material to the opinion of Special Counsel, Special Counsel will rely upon representations and covenants made on behalf of the School Board, certificates of appropriate officers and certificates of public officials (including certifications as to the use of proceeds of the Series 2019 Certificates and of the property financed or refinanced thereby), without undertaking to verify the same by independent investigation.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE SERIES 2019 CERTIFICATES AND THE RECEIPT OR ACCRUAL OF THE INTEREST COMPONENT OF THE BASIC RENT PAYMENTS THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE CERTIFICATE HOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE CERTIFICATE HOLDERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

Information Reporting and Backup Withholding. Interest paid on tax-exempt obligations such as the Series 2019 Certificates is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of Interest Component of the Basic Rent Payments on the Series 2019 Certificates from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Series 2019 Certificates, under certain circumstances, to "backup withholding" at the rate specified in the Code with respect to payments on the Series 2019 Certificates and proceeds from the sale of Series 2019 Certificates. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Series 2019 Certificates. This withholding generally applies if the owner of Series 2019 Certificates (i) fails to furnish

the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Series 2019 Certificates may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

Other Tax Matters. 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 2019 Certificates. In some cases, these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the Series 2019 Certificates. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Series 2019 Certificates and their market value. No assurance can be given that legislative proposals will not be enacted that would apply to, or have an adverse effect upon, the Series 2019 Certificates.

Prospective purchasers of the Series 2019 Certificates should consult their own tax advisors as to the tax consequences of owning the Series 2019 Certificates in their particular state or local jurisdiction and regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Special Counsel expresses no opinion.

Tax Treatment of Original Issue Discount. Under the Code, the difference between the maturity amount of the Series 2019 Certificates maturing on \_\_\_\_\_ (collectively, 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 and, if applicable, interest rate, was sold is "original issue discount." Original issue discount will accrue over the term of the Discount Certificates at a constant interest rate compounded periodically. A purchaser who acquires the Discount Certificates in the initial offering at a price equal to the initial offering price thereof to the public will be treated as receiving an amount of interest excluded from gross income for federal income tax purposes equal to the original issue discount accruing during the period he or she holds the Discount Certificates, and will increase his or her adjusted basis in the Discount Certificates by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or disposition of the Discount Certificates. The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of the Discount Certificates which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those above. Bondholders of the Discount Certificates should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, redemption or other disposition of the Discount Certificates and with respect to the state and local tax consequences of owning and disposing of the Discount Certificates.

Tax Treatment of Certificate Premium. The difference between the principal amount of the Series 2019 Certificates maturing on \_\_\_\_\_, through and including \_\_\_\_\_ (collectively, the "Premium 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 such Premium Certificates of the same maturity and, if applicable, interest rate,

was sold constitutes to an initial purchaser amortizable certificate premium which is not deductible from gross income for federal income tax purposes. The amount of amortizable certificate premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each of the Premium Certificates, which ends on the earlier of the maturity or call date for each of the Premium Certificates which minimizes the yield on such Premium Certificates to the purchaser. For purposes of determining gain or loss on the sale or other disposition of a Premium Certificate, an initial purchaser who acquires such obligation in the initial offering is required to decrease such purchaser's adjusted basis in such Premium Certificate annually by the amount of amortizable certificate premium for the taxable year. The amortization of certificate premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Premium Certificates. Certificate Holders of the Premium Certificates are advised that they should consult with their own tax advisors with respect to the state and local tax consequences of owning such Premium Certificates.

## **RATINGS**

S&P Global Ratings, a division of S&P Financial Services LLC ("S&P"), is expected to assign a rating of "\_\_\_" (stable outlook) to the Series 2019 Certificates, with the understanding that, upon delivery of the Series 2019 Certificates, the Policy will be issued by the Insurer. In addition, S&P has assigned a rating of "\_\_\_" (\_\_\_\_\_ outlook) to the Series 2019 Certificates without regard to the Policy. Such ratings reflect only the views of such organization and any desired explanation of the significance of such ratings should be obtained from S&P at the following address: [S&P Global Ratings, 25 Broadway, New York, New York 10004]. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agency, if in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2019 Certificates.

## **FINANCIAL ADVISOR**

The School Board has retained PFM Financial Advisors LLC, Orlando, Florida, as financial advisor in connection with the School Board's financing plans and with respect to the issuance of the Series 2019 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 this Offering Statement. The Financial Advisor did not participate in the underwriting of the Series 2019 Certificates.

## **UNDERWRITING**

The Series 2019 Certificates are to be purchased by BofA Securities, Inc., and Raymond James & Associates, Inc. (collectively, the "Underwriters"). The Series 2019 Certificates are being purchased by the Underwriters at a price of \$\_\_\_\_\_ (which represents the par amount of the Series 2019 Certificates [plus net original issue premium] [less net original issue discount] of \$\_\_\_\_\_ and less an Underwriters' discount of \$\_\_\_\_\_). The Underwriters' obligations are subject to certain conditions precedent, and they will be obligated to purchase all of the Series 2019 Certificates if any Series 2019 Certificates are purchased. The Series 2019 Certificates may be offered and sold to certain dealers (including dealers depositing such Series 2019 Certificates into investment trusts) at prices lower than

such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriters. The Underwriters have reviewed the information in this Offering Statement in accordance with and, as part of its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guaranty the accuracy or completeness of such information.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Under certain circumstances, the Underwriters and their affiliates may have certain creditor and/or other rights against the District in connection with such activities. In the various course of their various business activities, the Underwriters and their respective affiliates, officers, directors, and employees may purchase, sell, or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps, and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the District (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the District. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

BofA Securities, Inc., an underwriter of the Series 2019 Certificates, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the Series 2019 Certificates.

#### **DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS**

Section 517.051, Florida Statutes, and the regulations promulgated thereunder requires that the District make a full and fair disclosure of any bonds or other debt obligations of such entity that have been in default as to principal or interest at any time after December 31, 1975 (including bonds or other debt obligations for which it has served only as a conduit issuer such as industrial development or private activity bonds issued on behalf of private businesses). The District is not and has not since December 31, 1975, been in default as to principal and interest on its bonds or other debt obligations.

#### **CONTINGENT FEES**

The School Board has retained Special Counsel, Disclosure Counsel, the Underwriters (who in turn engaged Underwriters' counsel), the Financial Advisor, the Trustee (who in turn engaged Trustee's Counsel), and the Corporation has retained Counsel to the Corporation, with respect to the authorization, sale, execution and delivery of the Series 2019 Certificates. Payment of the fees of such professionals are each contingent upon the issuance of the Series 2019 Certificates.

## **FINANCIAL STATEMENTS**

The Financial Statements of the District for the Fiscal Year ended June 30, 2018, included in this Offering Statement have been audited by Carr Riggs & Ingram, LLC, independent certified public accountants (the "Auditors"), as stated in their report appearing in APPENDIX B. The Auditors have not participated in the preparation or review of this Offering Statement and the financial statements are included as a publicly available record.

## **ACCURACY AND COMPLETENESS OF OFFERING STATEMENT**

The references, excerpts, and summaries of all documents, statutes, and information concerning the School Board and the Projects financed under the Master Lease and certain reports and statistical data referred to herein do not purport to be complete, comprehensive and definitive and each such summary and reference is qualified in its entirety by reference to each such document for full and complete statements of all matters of fact relating to the Series 2019 Certificates, the security for the payment of the Series 2019 Certificates and the rights and obligations of the owners thereof and to each such statute, report or instrument.

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 2019 Certificates.

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

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## **AUTHORIZATION OF OFFERING STATEMENT**

The execution and delivery of this Offering Statement has been duly authorized and approved by the School Board. At the time of delivery of the Series 2019 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 (except for the information related to the Insurer, the Policy, DTC and its book-entry-only system of registration, as to all of which no opinion will be expressed), as of its date and as of the date of delivery of the Series 2019 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, 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 SANTA ROSA COUNTY, FLORIDA**

By: \_\_\_\_\_  
Carol Boston, Chairperson

By: \_\_\_\_\_  
Tim Wyrosdick, Superintendent

**APPENDIX A**

**GENERAL INFORMATION RELATING TO SANTA ROSA COUNTY, FLORIDA**



**APPENDIX B**

**SANTA ROSA COUNTY DISTRICT SCHOOL BOARD FINANCIAL STATEMENTS FOR THE  
FISCAL YEAR ENDED JUNE 30, 2018**

**APPENDIX C**

**MASTER TRUST AGREEMENT AND  
FORM OF SERIES 2019 SUPPLEMENTAL TRUST AGREEMENT**

**APPENDIX D**

**MASTER LEASE-PURCHASE AGREEMENT AND  
FORM OF SERIES 2019 LEASE AGREEMENT**

**APPENDIX E**

**ASSIGNMENT AGREEMENT AND FORM OF SERIES 2019 ASSIGNMENT AGREEMENT**

**APPENDIX F**

**FORM OF SERIES 2019 GROUND LEASE**

**APPENDIX G**

**FORM OF OPINION OF SPECIAL COUNSEL**

**APPENDIX H**

**FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT**

**APPENDIX I**

**SPECIMEN MUNICIPAL BOND INSURANCE POLICY**



**EXHIBIT F**

**FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT**

## DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (the "Disclosure Agreement"), dated as of July \_\_, 2019, is executed and delivered by the School Board of Santa Rosa County, Florida (the "Issuer") and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the "Disclosure Dissemination Agent" or "DAC") for the benefit of the Holders (hereinafter defined) of the Series 2019 Certificates (hereinafter defined) and in order to provide certain continuing disclosure with respect to the Series 2019 Certificates in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the "Rule").

The services provided by DAC under this Disclosure Agreement solely relate to the execution of instructions received from the Issuer through use of the DAC system and do not constitute "advice" within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"). DAC will not provide any advice or recommendation to the Issuer or anyone on the Issuer's behalf regarding the "issuance of municipal securities" or any "municipal financial product" as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary. DAC is not a "Municipal Advisor" as such term is defined in Section 15B of the Securities Exchange Act of 1934, as amended, and related rules.

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Offering Statement (hereinafter defined). The capitalized terms shall have the following meanings:

"Annual Filing Date" means the date, set in Sections 2(a) and 2(f), by which the Annual Report is to be filed with the MSRB.

"Annual Financial Information" means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

"Annual Report" means an Annual Report described in and consistent with Section 3 of this Disclosure Agreement.

"Audited Financial Statements" means the financial statements (if any) of the Issuer for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

"Certification" means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event

Disclosure or Voluntary Financial Disclosure required to be submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Issuer and include the full name of the Series 2019 Certificates and the 9-digit CUSIP numbers for all Series 2019 Certificates to which the document applies.

"Disclosure Dissemination Agent" means Digital Assurance Certification, L.L.C, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Issuer pursuant to Section 9 hereof.

"Disclosure Representative" means the Superintendent or the Chief Financial Officer of the Issuer or his or her designee, or such other person as the Issuer shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

"Failure to File Event" means the Issuer's failure to file an Annual Report on or before the Annual Filing Date.

"Financial obligation" as used in this Disclosure Agreement is defined in the Rule as (i) a debt obligation; (ii) derivative instrument entered into in connection with, or pledged as a security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "financial obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Force Majeure Event" means: (i) acts of God, war, or terrorist action; (ii) failure or shutdown of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent's reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

"Holder" means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2019 Certificates (including persons holding Series 2019 Certificates through nominees, depositories or other intermediaries) or (b) treated as the owner of any Series 2019 Certificates for federal income tax purposes.

"Information" means, collectively, the Annual Reports, the Audited Financial Statements (if any), the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

"MSRB" means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

"Notice Event" means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

"Obligated Person" means any person, including the Issuer, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Series 2019 Certificates (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), as shown on Exhibit A.

"Offering Statement" means that Offering Statement prepared by the Issuer in connection with the Series 2019 Certificates, as listed on Exhibit A.

"Series 2019 Certificates" means the certificates as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

"Trustee" means the institution identified as such in the document under which the Series 2019 Certificates were issued.

"Voluntary Event Disclosure" means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(11) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

"Voluntary Financial Disclosure" means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

SECTION 2. Provision of Annual Reports. (a) The Issuer shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, together with a copy for the Trustee, not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than April 30 after the end of each fiscal year of the Issuer, commencing with the fiscal year ending June 30, 2019. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement; provided that the financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Issuer will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent that a Failure to File Event has occurred and to immediately send a notice to the MSRB in substantially the form attached as Exhibit B, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 6:00 p.m. Eastern time on the Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Issuer irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(d) If Audited Financial Statements of the Issuer are prepared but not available prior to the Annual Filing Date, the Issuer shall, when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, together with a copy for the Trustee, for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

(i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;

(ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) with the MSRB;

(iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with the MSRB;

(iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) with the MSRB, identifying the Notice Event as instructed by the Issuer pursuant to Section 4(a) or 4(b)(ii) (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:

1. Principal and interest payment delinquencies;
2. Non-Payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, IRS notices or events affecting the tax status of the security;
7. Modifications to rights of securities holders, if material;
8. Bond calls, if material;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the securities, if material;
11. Rating changes;
12. Tender offers;
13. Bankruptcy, insolvency, receivership or similar event of the obligated person;
14. Merger, consolidation, or acquisition of the obligated person, if material;
15. Appointment of a successor or additional Trustee, or the change of name of a Trustee, if material;
16. Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect holders of the Bonds, if material; and
17. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial

obligation of the obligated person, any of which reflect financial difficulties.

(v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as "Failure to provide annual financial information as required" when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;

(vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Issuer pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:

1. "amendment to continuing disclosure undertaking;"
2. "change in obligated person;"
3. "notice to investors pursuant to bond documents;"
4. "certain communications from the Internal Revenue Service;"
5. "secondary market purchases;"
6. "bid for auction rate or other securities;"
7. "capital or other financing plan;"
8. "litigation/enforcement action;"
9. "change of tender agent, remarketing agent, or other on-going party;"
10. "derivative or other similar transaction;" and
11. "other event-based disclosures."

(vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Issuer pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:

1. "quarterly/monthly financial information;"
2. "change in fiscal year/timing of annual disclosure;"

3. "change in accounting standard;"
4. "interim/additional financial information/operating data;"
5. "budget;"
6. "investment/debt/financial policy;"
7. "information provided to rating agency, credit/liquidity provider or other third party;"
8. "consultant reports;" and
9. "other financial/operating data."

(viii) provide the Issuer evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Issuer may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, the Trustee (if any) and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Any Information received by the Disclosure Dissemination Agent before 6:00 p.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

SECTION 3. Content of Annual Reports. (a) Each Annual Report shall contain Annual Financial Information with respect to the Issuer, including the financial information and operating data of the type included with respect to the Issuer, in the Offering Statement, including, but not limited to:

1. Number of schools, number of classroom instructors, number of full-time equivalent students and average expenditures.
2. Debt of the School Board.



3. Capital outlay ad valorem millage available to pay debt service on the Series 2019 Certificates and any additional series of Certificates under the Trust Agreement.
4. Taxable assessed value, millage levels, ad-valorem taxes levied and collected, including the percentage collected.
5. Assessed valuations, including real property, personal property, centrally assessed property and exemptions.
6. Description of any additional series of Certificates issued under the Trust Agreement.

(b) Audited Financial Statements prepared in accordance with generally accepted accounting principles ("GAAP"), as modified by applicable State of Florida requirements and the governmental accounting standards promulgated by the Governmental Accounting Standards Board will be included in the Annual Report. If audited financial statements are not available, then, unaudited financial statements, prepared in accordance with GAAP, as modified by applicable State of Florida requirements and the governmental accounting standards promulgated by the Governmental Accounting Standards Board will be included in the Annual Report. Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Issuer is an "obligated person" (as defined by the Rule), which have been previously filed with the Securities and Exchange Commission or available on the MSRB Internet Website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer will clearly identify each such document so incorporated by reference.

Any Annual Financial Information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

SECTION 4. Reporting of Notice Events. (a) The occurrence of any of the following events with respect to the Series 2019 Certificates constitutes a Notice Event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2019 Certificates, or other material events affecting the tax status of the Series 2019 Certificates;
7. Modifications to rights of Bond holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Series 2019 Certificates, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

**Note to subsection (a)(12) of this Section 4:** For the purposes of the event described in subsection (a)(12) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of obligated person, any of which affect security holders, if material;
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the obligated person, any of which reflect financial difficulties; and
17. Notice of any failure on the part of the Issuer to meet the requirements of Section 3 hereof.

The Issuer shall, in a timely manner not in excess of ten (10) business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) of this Section 4 and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two business days of receipt of such notice (but in any event not later than the tenth (10th) business day after the occurrence of the Notice Event, if the Issuer determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice

Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with MSRB in accordance with Section 2 (e)(iv) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

SECTION 5. CUSIP Numbers. Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements, Notice Event notices, Failure to File Event notices, Voluntary Event Disclosures and Voluntary Financial Disclosures, the Issuer shall indicate the full name of the Series 2019 Certificates and the 9-digit CUSIP numbers for the Series 2019 Certificates as to which the provided information relates.

SECTION 6. Additional Disclosure Obligations. The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that the duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement do not extend to providing legal advice regarding such laws. The Issuer acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Filing. (a) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(b) to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice

will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-3.

(c) The parties hereto acknowledge that the Issuer is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(d) Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

SECTION 8. Termination of Reporting Obligation. The obligations of the Issuer and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Series 2019 Certificates upon the legal defeasance, prior redemption or payment in full of all of the Series 2019 Certificates, when the Issuer is no longer an obligated person with respect to the Series 2019 Certificates, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of counsel expert in federal securities laws to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The Issuer has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Issuer may, upon thirty (30) days written notice to the Disclosure Dissemination Agent and the Trustee, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Issuer or DAC, the Issuer agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Series 2019 Certificates. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Issuer.

SECTION 10. Remedies in Event of Default. In the event of a failure of the Issuer or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Series

2019 Certificates or under any other document relating to the Series 2019 Certificates, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Series 2019 Certificates or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Issuer's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon Certifications of the Issuer at all times.

The obligations of the Issuer under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Series 2019 Certificates.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Issuer.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Issuer and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Series 2019 Certificates and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Issuer or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Trustee, the Disclosure Dissemination Agent, the underwriters, and the Holders from time to time of the Series 2019 Certificates, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Florida.

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Remainder of page intentionally left blank.]

The Disclosure Dissemination Agent and the Issuer have caused this Continuing Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION,  
L.L.C., as Disclosure Dissemination Agent

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

Name: Diana O'Brien

Title: Vice President

*[Signature Page to Disclosure Dissemination Agent Agreement]*



SCHOOL BOARD OF SANTA ROSA COUNTY,  
FLORIDA, as Issuer

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

Name: Carol Boston

Title: Chairperson

*[Signature Page to Disclosure Dissemination Agent Agreement]*

**EXHIBIT A**  
**NAME AND CUSIP NUMBERS OF BONDS**

Name of Issuer: School Board of Santa Rosa County, Florida

Obligated Person(s): School Board of Santa Rosa County, Florida

Name of Bond Issue: Certificates of Participation, Series 2019 Evidencing an Undivided Proportionate Interest of Owners thereof in Basic Rent Payments to be made by the School Board of Santa Rosa County, Florida, as Lessee, pursuant to a Master Lease-Purchase Agreement with the Santa Rosa School Board Leasing Corporation, as Lessor

Date of Issuance: July \_\_, 2019

Date of Offering Statement: July \_\_, 2019

<u>Maturity</u> <u>(February 1)</u>	<u>Principal Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Initial</u> <u>CUSIP</u> <u>Numbers*</u>
			802687
			802687
			802687
			802687
			802687
			802687
			802687
			802687
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**EXHIBIT B**  
**NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: School Board of Santa Rosa County, Florida

Obligated Person: School Board of Santa Rosa County, Florida

Name(s) of Bond Issue(s): Certificates of Participation, Series 2019 Evidencing an Undivided Proportionate Interest of Owners thereof in Basic Rent Payments to be made by the School Board of Santa Rosa County, Florida, as Lessee, pursuant to a Master Lease-Purchase Agreement with the Santa Rosa School Board Leasing Corporation, as Lessor

Date(s) of Issuance: July \_\_, 2019

Date(s) of Disclosure Agreement: July \_\_, 2019

CUSIP Number:

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual report with respect to the above-named Series 2019 Certificates as required by the Disclosure Agreement between the Issuer and Digital Assurance Certificate, L.L.C., as Disclosure Dissemination Agent. [The Issuer has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by \_\_\_\_\_.]

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

DIGITAL ASSURANCE CERTIFICATION,  
L.L.C., as Disclosure Dissemination Agent, on  
behalf of the Issuer

\_\_\_\_\_

cc:

**EXHIBIT C-1**  
**EVENT NOTICE COVER SHEET**

This cover sheet and accompanying "event notice" will be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name: School Board of Santa Rosa County, Florida

Issuer's Six-Digit CUSIP Number:

\_\_\_\_\_

Or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

\_\_\_\_\_

Number of pages attached: \_\_\_\_\_

\_\_\_\_\_ Description of Notice Events (Check One):

1. \_\_\_\_\_ Principal and interest payment delinquencies;
2. \_\_\_\_\_ Non-payment related defaults, if material;
3. \_\_\_\_\_ Unscheduled draws on debt service reserves reflecting financial difficulties;
4. \_\_\_\_\_ Unscheduled draws on credit enhancements reflecting financial difficulties;
5. \_\_\_\_\_ Substitution of credit or liquidity providers, or their failure to perform;
6. \_\_\_\_\_ Adverse tax opinions, IRS notices or events affecting the tax status of the security;
7. \_\_\_\_\_ Modifications to rights of Bond holders, if material;
8. \_\_\_\_\_ Bond calls, if material;
9. \_\_\_\_\_ Defeasances;
10. \_\_\_\_\_ Release, substitution, or sale of property securing repayment, if material;
11. \_\_\_\_\_ Rating changes;
12. \_\_\_\_\_ Tender offers;
13. \_\_\_\_\_ Bankruptcy, insolvency, receivership or similar event of the Obligated Person;
14. \_\_\_\_\_ Merger, consolidation, or acquisition involving an Obligated Person, if material;
15. \_\_\_\_\_ Appointment of a successor or additional trustee or the change of name of a trustee, if material;
16. \_\_\_\_\_ Incurrence of a financial obligation of the Issuer or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer or obligated person, any of which affect security holders, if material; and
17. \_\_\_\_\_ Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the Issuer or obligated person, any of which reflect financial difficulties.

\_\_\_\_\_ Failure to provide annual financial information as required.

I hereby represent that I am authorized by the Issuer or its agent to distribute this information publicly:

Signature:

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

Digital Assurance Certificate, L.L.C.

315 E. Robinson Street  
Suite 300  
Orlando, FL 32801  
407-515-1100

Date: \_\_\_\_\_

**EXHIBIT C-2**  
**VOLUNTARY EVENT DISCLOSURE COVER SHEET**

This cover sheet and accompanying "voluntary event disclosure" will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of July \_\_, 2019 between the Issuer and DAC.

Issuer's and/or Other Obligated Person's Name: School Board of Santa Rosa County, Florida

Issuer's Six-Digit CUSIP Number:

\_\_\_\_\_

Or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

\_\_\_\_\_

Number of pages attached: \_\_\_\_\_

\_\_\_\_\_ Description of Voluntary Event Disclosure (Check One):

1. \_\_\_\_\_ Amendment to continuing disclosure undertaking;
2. \_\_\_\_\_ Change in obligated person;
3. \_\_\_\_\_ Notice to investors pursuant to bond documents;
4. \_\_\_\_\_ Certain communications from the Internal Revenue Service;
5. \_\_\_\_\_ Secondary market purchases;
6. \_\_\_\_\_ Bid for auction rate or other securities;
7. \_\_\_\_\_ Capital or other financing plan;
8. \_\_\_\_\_ Litigation/enforcement action;
9. \_\_\_\_\_ Change of tender agent, remarketing agent, or other on-going party;
10. \_\_\_\_\_ Derivative or other similar transaction; and
11. \_\_\_\_\_ Other Event-based disclosures.

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

\_\_\_\_\_

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

Digital Assurance Certificate, L.L.C.  
315 E. Robinson Street  
Suite 300  
Orlando, FL 32801  
407-515-1100

Date: \_\_\_\_\_

**EXHIBIT C-3**  
**VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET**

This cover sheet and accompanying "voluntary financial disclosure" will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of July \_\_, 2019 between the Issuer and DAC.

Issuer's and/or Other Obligated Person's Name: School Board of Santa Rosa County, Florida

Issuer's Six-Digit CUSIP Number:

\_\_\_\_\_

Or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

\_\_\_\_\_

Number of pages attached: \_\_\_\_\_

\_\_\_\_\_ Description of Voluntary Financial Disclosure (Check One):

1. \_\_\_\_\_ Quarterly/monthly financial information;
2. \_\_\_\_\_ Change in fiscal year/timing of annual disclosure;
3. \_\_\_\_\_ Change in accounting standard;
4. \_\_\_\_\_ Interim/additional financial information/operating data;
5. \_\_\_\_\_ Budget;
6. \_\_\_\_\_ Investment/debt/financial policy;
7. \_\_\_\_\_ Information provided to rating agency, credit/liquidity provider or other third party;
8. \_\_\_\_\_ Consultant reports; and
9. \_\_\_\_\_ Other financial/operating data.

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

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

Digital Assurance Certificate, L.L.C.  
390 N. Orange Avenue  
Suite 1750  
Orlando, FL 32801  
407-515-1100

Date: \_\_\_\_\_

**EXHIBIT G**

**FORM OF SERIES 2019 SUPPLEMENTAL ASSIGNMENT AGREEMENT**



## **SERIES 2019 SUPPLEMENTAL ASSIGNMENT AGREEMENT**

**THIS SERIES 2019 SUPPLEMENTAL ASSIGNMENT AGREEMENT**, is made and entered into as of June 1, 2019, by and among the **SANTA ROSA SCHOOL BOARD LEASING CORPORATION**, as successor to the Florida School Boards Association, Inc. (the "Association"), a not-for-profit corporation duly organized and validly existing under Chapter 617, Florida Statutes (the "Corporation"); **THE SCHOOL BOARD OF SANTA ROSA COUNTY, FLORIDA** (the "Board"), acting as the governing body of the School District of Santa Rosa County, Florida (the "District"); and **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, a national banking association with corporate trust powers duly qualified to enter into this Series 2019 Supplemental Assignment Agreement, as successor trustee (the "Trustee"), under that certain Trust Agreement, dated June 1, 1992, as amended and supplemented (the "Master Trust Agreement"), and as particularly supplemented by a Series 2019 Supplemental Trust Agreement, dated as of June 1, 2019 (the "Series 2019 Supplement Trust Agreement" and, together with the Master Trust Agreement, the "Trust Agreement"), each by and among the Board, the Corporation, and the Trustee.

All capitalized terms used herein and not otherwise defined herein shall have the meaning set forth therefor in the Trust Agreement.

### **WITNESSETH**

In the joint and several exercise of their powers, in consideration of ten dollars (\$10.00) in hand paid to each assignor hereunder and of the mutual covenants herein contained, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

(A) The Corporation and the Board have entered into the Master Lease-Purchase Agreement, dated as of June 1, 1992, as amended and supplemented (the "Master Lease Agreement"), and as particularly amended and supplemented by the Lease Schedule No. 2019, dated as of June 1, 2019 (the "Lease Schedule No. 2019" and, together with the Master Lease Agreement, the "Series 2019 Lease Agreement"), each 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 Series 2019 Lease Agreement.

(B) The Certificates shall be issued from time to time in order to finance the acquisition, construction, and installation 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.

(C) The Board and the Corporation have agreed to finance the property and improvements described as the "Series 2019 Project" in the Lease Schedule No. 2019 (the

"Series 2019 Project"), and in connection therewith have entered into the Lease Schedule No. 2019.

(D) Pursuant to the Series 2019 Lease Agreement, the Board is obligated to make certain Lease Payments to the Corporation, or its assignee. In order to provide for the payment of the Certificates, the Corporation has assigned its rights and interest in the Series 2019 Lease Agreement pursuant to an Assignment Agreement, dated as of June 1, 1992, as amended and supplemented, and as particularly amended and supplemented by this Series 2019 Supplemental Assignment Agreement (collectively, the "Assignment Agreement"), and is willing to assign and transfer its rights and interest under Lease Schedule No. 2019 to the Trustee for the benefit of the Owners of the Series 2019 Certificates pursuant to this Series 2019 Supplemental Assignment Agreement, supplementing the Assignment Agreement.

(E) Each of the parties hereto has authority to enter into this Series 2019 Supplemental Assignment Agreement, and has taken all necessary actions to authorize its officer to enter into it.

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## **PART I**

### **CORPORATION ASSIGNMENT OF LEASE AGREEMENT**

(A) **ASSIGNMENT.** The Corporation hereby confirms that it has, for good and valuable consideration received, irrevocably sold, assigned, transferred, and conveyed to the Trustee, for the benefit of the Owners of the Certificates, all of its right, title, and interest in the Series 2019 Lease Agreement (other than the Retained Rights), including, but not limited to, its right to receive Lease Payments from the Board under the Series 2019 Lease Agreement and its right to use, sell, and re-let its interest in the Projects (under the circumstances contemplated by the Series 2019 Lease Agreement), and the right to exercise such rights and remedies as are conferred on the Corporation by the Series 2019 Lease Agreement. For good and valuable consideration received, the Corporation does hereby irrevocably and absolutely sell, assign, transfer and convey to the Trustee, for the benefit of the Owners of the Series 2019 Certificates, all of its right, title, and interest in the Lease Schedule No. 2019 upon execution and delivery thereof. The Lease Payments in respect thereof shall be applied, and the rights so assigned shall be exercised, by the Trustee as provided in the Trust Agreement. This sale, assignment, and conveyance of the rights, title, and interest of the Corporation under and pursuant to the Series 2019 Lease Agreement are immediately complete and effective for all purposes.

(B) **TRUSTEE ACCEPTANCE.** The Trustee hereby accepts the foregoing assignment, in trust for the purpose of providing for the payment of the Series 2019 Certificates and assuring the rights of the Owners of the Series 2019 Certificates pursuant to the Trust Agreement.

(C) **CONDITIONS.** This Series 2019 Supplemental Assignment Agreement shall confer no rights and impose no duties upon the Trustee beyond those expressly provided in the Trust Agreement.

(D) **REPRESENTATIONS AND AGREEMENTS.**

(i) With respect to the sale, assignment and conveyance of the rights, title and interest of the Corporation under the Series 2019 Lease Agreement, the Corporation represents, warrants, and covenants to and with the Trustee, for the benefit of the Owners of the Series 2019 Certificates, that:

(1) The Corporation is a not-for-profit corporation duly organized, validly existing, and in good standing under the laws of the State of Florida, with corporate powers and authority to own its property and carry on its business as now being conducted.

(2) The Corporation is duly qualified to transact business and hold property and is in good standing in the State of Florida and wherever necessary

to perform its obligations under the Series 2019 Lease Agreement, the Trust Agreement and this Series 2019 Supplemental Assignment Agreement.

(3) The Corporation has full power, authority, and legal right to enter into and perform its obligations under the Series 2019 Lease Agreement, the Trust Agreement, and this Series 2019 Supplemental Assignment Agreement; and the execution, delivery, and performance of the Series 2019 Lease Agreement, the Trust Agreement, and this Series 2019 Supplemental Assignment Agreement by the Corporation have been duly authorized by all necessary corporate actions on the part of the Corporation, do not require any stockholder approval or the approval or consent of any trustee or holder of any indebtedness or obligations of the Corporation or any other Person or such required approvals and consents have heretofore been duly obtained.

(4) The execution, delivery, and performance of the Series 2019 Lease Agreement, the Trust Agreement, and this Series 2019 Supplemental Assignment Agreement do not contravene any provision of any Articles of Incorporation or Bylaws of the Corporation, and do not and will not conflict with, violate, or result in any breach of or constitute a default under any indenture, mortgage, contract, agreement, or instrument to which the Corporation is a party or by which it or any of its property is bound or any constitutional or statutory provision, or order, rule, regulation, decree, or ordinance of any federal or state court, government, or governmental body having jurisdiction over the Corporation or any of its properties and by which the Corporation or any of its property is bound.

(5) The Series 2019 Lease Agreement and the Trust Agreement are in full force and effect and the Corporation is not in default thereunder; and, the Series 2019 Lease Agreement, the Trust Agreement and this Series 2019 Supplemental Assignment Agreement are legal, valid, and binding obligations of the Corporation, enforceable against the Corporation in accordance with their respective terms, all such enforcement being subject to certain laws relating to bankruptcy, reorganizations, moratoriums, and creditors' rights generally and to the exercise of judicial discretion in accordance with general principles of equity.

(6) The Corporation has complied, and will at all times hereafter comply with, and duly perform its obligations under the Series 2019 Lease Agreement, the Trust Agreement, and this Series 2019 Supplemental Assignment Agreement.

(7) There is no pending, or to the knowledge of the Corporation, threatened action, suit, proceeding, inquiry, or investigation, at law or in equity,

before or by any court or government agency in any way affecting the ability of the Corporation to perform its obligations under the Series 2019 Lease Agreement, the Trust Agreement, or this Series 2019 Supplemental Assignment Agreement.

(8) The Series 2019 Lease Agreement and the lease rights thereunder being herein assigned are free and clear of all claims, liens, mortgages, security interests, and encumbrances arising through any act or omissions of the Corporation or any Person claiming by, through or under it, except the rights of the Board under the Series 2019 Lease Agreement and encumbrances permitted thereunder, including the Permitted Encumbrances.

(ii) From and after the date of delivery to the Trustee of this Series 2019 Supplemental Assignment Agreement, the Corporation shall have no further rights or interest under the Series 2019 Lease Agreement with respect to same or in any Lease Payments (except the Retained Rights), the Projects or other moneys due with respect thereto or to become due under the Series 2019 Lease Agreement.

(iii) The Corporation agrees to execute and deliver to the Trustee, upon request by the Trustee or the Owners of a majority in principal amount of the Series 2019 Certificates, any documents deemed necessary by the Trustee or such Owners to evidence further the assignment and conveyance herein made with respect to the Series 2019 Lease Agreement.

(iv) The Corporation hereby irrevocably constitutes and appoints the Trustee or its successors or assigns, as its lawful attorney, with full power of substitution and re-substitution, to collect and to sue on behalf of the Corporation in the name of the Corporation or otherwise in any court for any Lease Payments or other amount due under the Series 2019 Lease Agreement, or any part thereof, to withdraw or settle any claims, suits, or proceedings pertaining to or arising out of the Series 2019 Lease Agreement or pertaining to the Projects upon any terms, all without the assent of the Corporation; and, further, to take possession of and to endorse in the name of the Corporation any instrument for the payment of moneys received on account of the Lease Payments or other amounts due under the Series 2019 Lease Agreement.

(v) The Corporation has authorized and directed the Board to pay to the Trustee, its successors and assigns, all Lease Payments and all other amounts due and payable under the Series 2019 Lease Agreement.

(vi) In order to provide for the payment of the Certificates, the Corporation hereby authorizes the Trustee to take possession of the Projects, and sell or re-let the leasehold interest in such Projects, or any portion thereof, in the circumstances described in the Trust Agreement.

(E) NON-RECOURSE. The parties hereto agree that the assignment contained in this Part I of this Series 2019 Supplemental Assignment Agreement shall be non-recourse with respect to the Corporation, and the Corporation shall have no liability hereunder to the Trustee or the Owners of any Certificates, with respect to the occurrence of an Event of Default or Event of Non-Appropriation by the Board under the Series 2019 Lease Agreement.

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## **PART II**

### **CORPORATION ASSIGNMENT OF GROUND LEASE**

Know All Men By These Presents, that the Corporation, for and in consideration of Ten Dollars (\$10.00) and other good and valuable considerations to it in hand paid by the Trustee, not in its individual capacity, but solely as Trustee, the receipt of which is hereby acknowledged, has sold, assigned, transferred and set over, and by these presents does sell, assign, transfer, and set over unto the Trustee the instrument of ground lease and the leasehold estate created by said instrument of ground lease, being that certain Series 2019 Ground Lease Agreement, dated as of June 1, 2019 (the "Series 2019 Ground Lease Agreement"), as the same may be supplemented, modified, or amended from time to time, granted by the Board, acting as the governing body of the District, to the Corporation in and to the Premises described therein; and

TO HAVE AND TO HOLD THE said instrument of the Series 2019 Ground Lease Agreement, the leasehold estate created thereby, and any buildings and improvements thereon, unto Trustee, its successors and assigns forever; and

The Corporation does hereby covenant with the Trustee as grantee and assignee, its successors and assigns, that the Corporation (i) is the true and lawful owner of the leasehold estate created thereby, (ii) has good right to bargain, sell and transfer the same hereby, (iii) such leasehold estate of the Corporation is free and clear of any lien or encumbrance created by the Corporation, except for the Series 2019 Lease Agreement, (iv) that as of the date hereof there is no default under the terms of the Series 2019 Ground Lease Agreement, and (v) from and after the assignment contained in this Part II of this Series 2019 Supplemental Assignment Agreement, the Corporation will have no further interest in the Series 2019 Ground Lease Agreement or the leasehold estate thereby created.

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### **PART III**

#### **MISCELLANEOUS**

(A) **NO INDIVIDUAL LIABILITY.** All covenants, stipulations, promises, agreements, and obligations of the parties hereto contained in this Series 2019 Supplemental Assignment Agreement 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 assignment effected hereunder or for any claim based thereon under this Series 2019 Supplemental Assignment Agreement against any member, officer, employee, or agent of the parties hereto.

(B) **COUNTERPARTS.** This Series 2019 Supplemental Assignment Agreement may be executed in several counterparts, each of which together with a counterpart executed by each of the other parties hereto shall constitute a single original for all purposes of this Series 2019 Supplemental Assignment Agreement and shall constitute but one and the same instrument.

(C) **LAW.** This Series 2019 Supplemental Assignment Agreement shall be construed under the laws of the State of Florida.

(D) **SEVERABILITY.** If any one or more of the covenants, stipulations, promises, agreements, provisions, or obligations provided in this Series 2019 Supplemental Assignment Agreement on the part of any party hereto should be determined by a court of competent jurisdiction to be contrary to law, then such covenants, stipulation, promises, agreement, provision, or obligation shall be deemed and construed to be severable from the remaining covenants, stipulations, promises, agreements, and obligations herein contained and shall in no way affect the validity of the other provisions of this Series 2019 Supplemental Assignment Agreement.

(E) **RATIFICATION.** Except as hereby supplemented, the Assignment Agreement shall remain in full force and effect.

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IN WITNESS WHEREOF, the Corporation has caused this instrument to be executed by the undersigned officers and its official seal to be impressed hereon, the day and year first written above.

**SANTA ROSA SCHOOL BOARD  
LEASING CORPORATION, as Lessee**

(SEAL)

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

ATTEST:

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

STATE OF FLORIDA  
COUNTY OF SANTA ROSA

I, \_\_\_\_\_, a Notary Public in and for the said County in the State aforesaid, do hereby certify that the President and Secretary, the same persons whose names are Carol Boston and Tim Wyrosdick, respectively, of the **SANTA ROSA SCHOOL BOARD LEASING CORPORATION**, a Florida not-for-profit corporation, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said corporation, and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary act, for the uses and purposes therein set forth.

**GIVEN** under my hand and notarial seal this \_\_\_\_\_ day of June, 2019.

\_\_\_\_\_  
Notary Public

(SEAL)

My Commission Ends:  
Name:

Personally Known \_\_\_\_ or  
Produced Identification \_\_\_\_X\_\_\_\_  
Type of Identification  
Produced: \_\_\_\_\_

IN WITNESS WHEREOF, the Trustee has caused this instrument to be executed by the undersigned officer, the day and year first written above.

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, not in its individual capacity but solely as trustee under the Trust Agreement as described herein

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

STATE OF FLORIDA  
COUNTY OF DUVAL

I, \_\_\_\_\_, a Notary Public in and for the said County in the State aforesaid, do hereby certify that the Vice-President, the same person whose name is Linda Boenish, of **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, a national banking association, subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that she, being thereunto duly authorized, signed and delivered the said instrument as the free and voluntary act of said association and as her own free and voluntary act, for the uses and purposes therein set forth.

**GIVEN** under my hand and notarial seal this \_\_\_\_ day of June, 2019.

\_\_\_\_\_  
Notary Public

(SEAL)

My Commission Ends:

Name:

Personally Known \_\_\_\_ or

Produced Identification \_\_\_\_X\_\_\_\_

Type of Identification

Produced \_\_\_\_\_

## ACKNOWLEDGEMENT OF SCHOOL BOARD

The School Board of Santa Rosa County, Florida, acting as the governing body of the School District of Santa Rosa County, Florida, hereby acknowledges the Santa Rosa School Board Leasing Corporation has entered into and made the foregoing assignments for the purposes set forth therein.

**THE SCHOOL BOARD OF SANTA  
ROSA COUNTY, FLORIDA**

(SEAL)

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

ATTEST:

By: \_\_\_\_\_  
Superintendent, ex-officio Secretary

STATE OF FLORIDA  
COUNTY OF SANTA ROSA

I, \_\_\_\_\_, a Notary Public in and for the said County in the State aforesaid, do hereby certify that the Chairman and Superintendent, ex-officio Secretary, the same persons whose names are Carol Boston and Tim Wyrosdick, respectively, of **THE SCHOOL BOARD OF SANTA ROSA COUNTY, FLORIDA**, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said School Board, and delivered the said instrument as the free and voluntary act of said School Board and as their own free and voluntary act, for the uses and purposes therein set forth.

**GIVEN** under my hand and notarial seal this \_\_\_\_ day of June, 2019.

\_\_\_\_\_  
Notary Public

(SEAL)

My Commission Ends:  
Name:

Personally Known \_\_\_\_ or  
Produced Identification \_\_\_\_X\_\_\_\_  
Type of Identification  
Produced \_\_\_\_\_