

In the opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Special Counsel, assuming continuing compliance by the Corporation and the Board with various covenants in the Trust Agreement and the Series 1999 Lease Agreement (as defined herein), under existing statutes, regulations, and court decisions, the Interest Component of Basic Rent Payments (a) is excluded from gross income of the holders of the Series 2010A Certificates, except to the extent described under the caption “TAX EXEMPTION” herein, and (b) is not an item of preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. However, no opinion is expressed with respect to federal income tax consequences of any payments received with respect to the Series 2010A Certificates following termination of the Series 1999 Lease Agreement as a result of an Event of Non-Appropriation or Event of Default thereunder. See “TAX EXEMPTION” herein for a discussion of Special Counsel’s opinion.

\$97,545,000

**REFUNDING CERTIFICATES OF PARTICIPATION
(School Board of Hillsborough County, Florida Master Lease Program),
Series 2010A**

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

Dated: Date of Delivery

Due: July 1, as shown on the inside cover page

The Refunding Certificates of Participation (School Board of Hillsborough County, Florida Master Lease Program), Series 2010A (the “Series 2010A Certificates”) evidence an undivided proportionate interest in Basic Rent Payments (as defined herein) to be made by The School Board of Hillsborough County, Florida (the “Board”) under a Master Lease-Purchase Agreement dated as of April 1, 1994, as amended and supplemented (the “Master Lease”) with the Hillsborough School Board Leasing Corporation, a Florida not-for-profit corporation (the “Corporation”), particularly as supplemented by the Second Amended and Restated Lease Schedule No. 1999, dated as of April 1, 2010 (“Second Amended and Restated Lease Schedule No. 1999” and together with the Master Lease, the “Series 1999 Lease Agreement”), providing for the lease-purchase of the Series 1999 Project (as defined herein) and the current refunding of a portion of the Series 2001A Certificates (described herein). Pursuant to a Twenty-Second Amendment to Assignment of Lease Agreement, dated as of April 1, 2010, the Corporation has assigned by outright assignment to the Trustee for the benefit of the Owners of the Series 2010A Certificates on a pro rata basis with the owners of the Unrefunded Series 2001A Certificates (as defined herein), all of its rights, title and interest in and to the Series 1999 Lease Agreement, except certain rights relating to indemnification, the right to enter into additional Lease Schedules and its obligation not to impair the tax status of the Series 2010A Certificates and the Unrefunded Series 2001A Certificates, but including the right of the Corporation to receive Lease Payments. The Series 2010A Certificates are subject to optional and extraordinary prepayment prior to their stated maturities as set forth herein.

THE BOARD IS NOT LEGALLY REQUIRED TO APPROPRIATE MONEYS TO MAKE LEASE PAYMENTS, WHICH CONSIST OF BASIC RENT, SUPPLEMENTAL RENT, AND ALL OTHER AMOUNTS OWING UNDER THE MASTER LEASE. THE BASIC RENT AND, CONSEQUENTLY, THE CERTIFICATE PAYMENTS OF PRINCIPAL AND INTEREST ARE PAYABLE SOLELY FROM THE BOARD’S AVAILABLE REVENUES APPROPRIATED THEREFOR, AND NEITHER THE BOARD, THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA (THE “DISTRICT”), HILLSBOROUGH COUNTY, FLORIDA (THE “COUNTY”), THE STATE OF FLORIDA, NOR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF SHALL BE OBLIGATED TO PAY ANY SUMS DUE UNDER THE SERIES 1999 LEASE AGREEMENT EXCEPT FROM AVAILABLE REVENUES APPROPRIATED FOR SUCH PURPOSE. BASIC RENT IS SUBJECT TO ANNUAL APPROPRIATION BY THE BOARD ON AN ALL-OR-NONE BASIS. THE CERTIFICATE PAYMENTS OF PRINCIPAL AND INTEREST AND THE PAYMENTS DUE FROM THE BOARD UNDER THE SERIES 1999 LEASE AGREEMENT AND THE CONTRACTUAL OBLIGATIONS OF THE BOARD UNDER THE SERIES 1999 LEASE AGREEMENT DO NOT CONSTITUTE A GENERAL OBLIGATION OR A PLEDGE OF THE FAITH AND CREDIT OF THE BOARD, THE DISTRICT, THE COUNTY, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. THE ISSUANCE OF THE SERIES 2010A CERTIFICATES WILL NOT DIRECTLY OR INDIRECTLY OBLIGATE THE BOARD, THE DISTRICT, THE COUNTY, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF TO LEVY OR TO PLEDGE ANY FORM OF AD VALOREM TAXATION WHATSOEVER THEREFOR AND THE OWNERS OF THE SERIES 2010A CERTIFICATES WILL HAVE NO RECOURSE TO THE POWER OF AD VALOREM TAXATION OF THE BOARD OR ANY OTHER GOVERNMENTAL ENTITY. SEE “RISK FACTORS” HEREIN.

The cover and inside cover pages contain certain information for quick reference only. They are not and are not intended to be a summary of the transaction. Investors must read the entire Offering Statement, including the appendices, to obtain information essential to the making of an informed investment decision.

The Series 2010A Certificates are offered when, as and if delivered and received by the Underwriters, subject to the approving opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Special Counsel, and certain other conditions. Certain legal matters will be passed upon for the Board by its Counsel, Thompson, Sizemore and Gonzalez P.A., Tampa, Florida and Bryant Miller Olive P.A., Tampa, Florida, Disclosure Counsel and for the Corporation by Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Special Counsel. Ford & Associates, Inc., Tampa, Florida is acting as Financial Advisor to the Board. Akerman Senterfitt, Jacksonville, Florida, is serving as Counsel to the Underwriters. The Series 2010A Certificates are expected to be delivered to the Underwriters in New York, New York through the facilities of DTC on or about April 15, 2010.

WELLS FARGO SECURITIES

BofA Merrill Lynch

CITI

Jackson Securities

Morgan Stanley

Raymond James & Associates, Inc.

This Offering Statement is dated March 19, 2010.

ADDITIONAL INFORMATION

The Series 2010A Certificates are being delivered by The Bank of New York Mellon Trust Company, N.A., Jacksonville, Florida, as Trustee (the "Trustee"), as fully registered certificates in denominations of \$5,000 or any integral multiple thereof, pursuant to the provisions of a Master Trust Agreement, dated as of April 1, 1994, as amended and supplemented, and particularly, as amended and supplemented by a Series 2010A Supplemental Trust Agreement, dated as of April 1, 2010 (collectively, the "Trust Agreement"), each with the Board, the Trustee and the Corporation. The Interest Component of Basic Rent Payments represented by the Series 2010A Certificates is payable on January 1 and July 1 of each year, commencing July 1, 2010 (each a "Payment Date"). 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. When issued, the Series 2010A 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 2010A Certificates (the "Beneficial Owners") will not receive physical delivery of Series 2010A Certificates. Ownership by the Beneficial Owners of the Series 2010A 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 2010A 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. The Principal Component of Basic Rent Payments represented by the Series 2010A Certificates is payable to Owners upon presentation, when due, at maturity or earlier prepayment, at the designated corporate trust office of the Trustee in Jacksonville, Florida.

The current term of the Series 1999 Lease Agreement will continue through and including June 30, 2010. The Series 1999 Lease Agreement is automatically renewable annually thereafter through June 30, 2025, unless sooner terminated as described herein. In addition to the Series 1999 Lease Agreement, the Board has previously entered into a Series 1996 Lease Agreement, a Series 1998 Lease Agreement, a Series 2000 Lease Agreement, a Series 2000-QZAB Lease Agreement, a Series 2001B Lease Agreement, a Series 2001-QZAB Lease Agreement, a Series 2002 Lease Agreement, a Series 2003B Lease Agreement, a Series 2004B Lease Agreement, a Series 2004C Lease Agreement, a Series 2004-QZAB Lease Agreement, a Series 2005-QZAB Lease Agreement, a Series 2006A Lease Agreement and a Series 2007 Lease Agreement (each as defined herein), and may enter into other leases under the Master Lease. There are approximately 51 schools and 38 additions to schools leased under the Master Lease. Based on the District's full time equivalent enrollment as of March 12, 2010 of approximately 190,786 students, approximately 33% of the District's students will attend classes in facilities leased under the Master Lease (including the Series 1999 Project leased under the Series 1999 Lease Agreement) (see "THE MASTER LEASED PROJECTS" herein for a description of how such percentage is calculated). *When the Board appropriates Lease Payments for any of its Projects leased under the Master Lease, it must appropriate Lease Payments for all other Projects leased under the Master Lease.* Failure to appropriate funds to pay Lease Payments under any such lease, or an event of default under any such lease, will result in the termination of all leases, including the Series 1999 Lease Agreement. Upon any such termination, any proceeds of the disposition of leased facilities (other than Designated Equipment) will be applied to payment of the related Series of Certificates, all as further described herein. In no event will owners of the Series 2010A Certificates have any interest in or right to any proceeds of the disposition of facilities leased under any lease other than the Series 1999 Lease Agreement. The proceeds of any such disposition of facilities leased under the Series 1999 Lease Agreement shall be applied to the payment of the Series 2010A Certificates, on a pro rata basis with the Unrefunded Series 2001A Certificates. Should termination of the Master Lease occur, the Series 2010A Certificates will not be prepaid except to the extent the Trustee has or receives moneys available for such purpose from the disposition of facilities leased under the Series 1999 Lease (other than Designated Equipment). Special Counsel will express no opinion as to tax exemption or the effect of securities laws with respect to the Series 2010A Certificates following an event of non-appropriation or an event of default under the Master Lease which results in termination of the Series 1999 Lease Agreement. Transfers of the Series 2010A Certificates may be subject to compliance with the registration provisions of state and federal securities laws following an event of non-appropriation or an event of default under the Master Lease which results in termination of the Series 1999 Lease Agreement (see "TAX EXEMPTION" and "RISK FACTORS" herein).

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

\$97,545,000 Serial Series 2010A Certificates

<u>Maturity (July 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Initial CUSIP Number</u>
2011	\$2,255,000	3.000%	0.850%	43232VRE3
2012	2,320,000	3.000	1.330	43232VRF0
2013	2,390,000	5.000	1.640	43232VRG8
2014	400,000	4.000	1.960	43232VRH6
2014	2,110,000	5.000	1.960	43232VRV5
2015	1,460,000	4.000	2.370	43232VRJ2
2015	1,170,000	5.000	2.370	43232VSB8
2016	2,745,000	3.000	2.850	43232VRK9
2017	2,835,000	5.000	3.170	43232VRL7
2018	2,970,000	4.000	3.480	43232VRM5
2019	3,090,000	5.000	3.640	43232VRN3
2020	3,245,000	5.000	3.820	43232VRP8
2021	3,410,000	4.000	4.000	43232VRQ6
2022	3,545,000	4.000	4.100	43232VRR4
2023	3,385,000	4.000	4.200	43232VRS2
2023	300,000	4.125	4.200	43232VRW3
2024	7,500,000	4.125	4.330	43232VRT0
2024	960,000	4.250	4.330	43232VRX1
2024	20,805,000	5.000	4.240*	43232VRZ6
2025	19,170,000	4.250	4.430	43232VRU7
2025	1,480,000	4.375	4.430	43232VRY9
2025	10,000,000	5.000	4.340*	43232VSA0

* Callable premium Series 2010A Certificates; yield calculated to first optional prepayment date.

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PARTICIPANTS IN THE FINANCING

LESSOR

Hillsborough School Board Leasing Corporation
Tampa, Florida

LESSEE

The School Board of Hillsborough County, Florida
Tampa, Florida

BOARD MEMBERS

Susan L. Valdes, Chair
Doretha W. Edgecomb, Vice Chair
Jennifer Faliero, Member
April Griffin, Member
Carol Kurdell, Member
Jack R. Lamb, Ed.D., Member
Candy Olson, Member

DISTRICT OFFICIALS

MaryEllen Elia, Superintendent of Schools
Gretchen Saunders, Chief Business Officer

COUNSEL TO THE BOARD

Thompson, Sizemore and Gonzalez P.A.
Tampa, Florida

SPECIAL COUNSEL

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

DISCLOSURE COUNSEL

Bryant Miller Olive P.A.
Tampa, Florida

FINANCIAL ADVISOR

Ford & Associates, Inc.
Tampa, Florida

TRUSTEE

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

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 2010A Certificates by any person in any jurisdiction to which it is unlawful for such person to make such offer, solicitation or sale. 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.

The information contained in this Offering Statement has been provided by the Board, 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, information related to DTC and its book-entry only system of registration is not to be construed as a representation of the 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 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 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.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2010A 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.

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 2010A Certificates are qualified in their entirety by reference to the form thereof included in the aforesaid documents and agreements.

NO REGISTRATION STATEMENT RELATING TO THE SERIES 2010A 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 BOARD, THE CORPORATION AND THE TERMS OF THE OFFERING, INCLUDING THE

MERITS AND RISKS INVOLVED. THE SERIES 2010A 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.

THIS OFFERING STATEMENT DOES NOT CONSTITUTE A CONTRACT BETWEEN THE BOARD OR THE UNDERWRITERS AND ANY ONE OR MORE HOLDERS OF THE SERIES 2010A CERTIFICATES.

TABLE OF CONTENTS

INTRODUCTION	1	DESIGNATED EQUIPMENT	24
THE REFUNDED CERTIFICATES	1	THE PRIOR PROJECTS.....	25
THE PRIOR CERTIFICATES.....	2	SERIES 1994 PROJECT	25
AUTHORIZATION	3	SERIES 1995 PROJECT	25
PLAN OF REFINANCE	3	SERIES 1996 PROJECT	25
VERIFICATION	4	SERIES 1998 PROJECT	25
THE PRIOR CERTIFICATES.....	4	SERIES 2000 PROJECT	26
THE SERIES 2010A CERTIFICATES.....	8	SERIES 2000-QZAB PROJECT	26
FORM AND DENOMINATION	8	SERIES 2001B PROJECT	26
OPTIONAL PREPAYMENT	9	SERIES 2001-QZAB PROJECT	27
EXTRAORDINARY PREPAYMENT	9	SERIES 2002 PROJECT	27
NOTICE OF PREPAYMENT	10	SERIES 2003B PROJECT	27
BOOK-ENTRY ONLY SYSTEM	10	SERIES 2004B PROJECT	27
SECURITY FOR THE SERIES 2010A		SERIES 2004-QZAB PROJECT	27
CERTIFICATES	13	SERIES 2004C PROJECT	28
MASTER-LEASE ASPECTS.....	13	SERIES 2005-QZAB PROJECT	28
LIMITED OBLIGATION OF THE BOARD	14	SERIES 2006A PROJECT	28
UNIFORM COMMERCIAL CODE.....	16	SERIES 2007 PROJECT	28
LEASE PAYMENT FUND	16	DESIGNATED EQUIPMENT	28
FLOW OF FUNDS.....	16	THE MASTER LEASE PROGRAM.....	29
DEFAULTS AND REMEDIES	17	THE GROUND LEASE	29
REFUNDING CERTIFICATES	18	THE MASTER LEASE AND THE SERIES 1999	
ADDITIONAL CERTIFICATES AND OTHER		LEASE AGREEMENT	29
INDEBTEDNESS	18	ESTIMATED SOURCES AND USES OF FUNDS	
INTEREST RATE EXCHANGE AGREEMENTS	19	30
RISK FACTORS.....	19	COMBINED CERTIFICATE PAYMENT	
ANNUAL RIGHT OF THE BOARD TO		SCHEDULE FOR CERTIFICATES.....	32
TERMINATE THE LEASE AGREEMENT	20	THE CORPORATION	34
LIMITATION DISPOSITION; ABILITY TO SELL		SCHOOL BOARD OF HILLSBOROUGH	
OR RELET	20	COUNTY, FLORIDA.....	34
TAX EXEMPT STATUS	20	THE ORGANIZATION AND POWERS OF THE	
APPLICABILITY OF SECURITIES LAWS	20	BOARD	34
CAPITAL OUTLAY MILLAGE.....	21	SUPERINTENDENT OF SCHOOLS.....	35
STATE REVENUES	21	ADMINISTRATION	35
ADDITIONAL LEASE SCHEDULES	21	ACADEMICS	36
ADDITIONAL INDEBTEDNESS	22	HISTORICAL GROWTH.....	37
RECENT LEGISLATIVE AND		GROWTH PROJECTIONS FOR F.T.E.....	38
CONSTITUTIONAL INITIATIVES	22	EMPLOYEE RELATIONS AND RETIREMENT	
NO RESERVE ACCOUNT.....	22	PROGRAM.....	38
BUDGET CONSTRAINTS.....	22	CHARTER DISTRICT PILOT PROGRAM	39
PROPERTY AND CASUALTY INSURANCE ...	23	CONSTITUTIONAL AMENDMENTS RELATED	
THE MASTER LEASED PROJECTS.....	23	TO CLASS SIZE REDUCTION AND PRE-K	
THE REFINANCED PROJECT	24	EDUCATION	40

GRANT FROM GATES FOUNDATION	41
ACCOUNTING AND FUNDS	41
GOVERNMENTAL FUND TYPES	42
OTHER FUND TYPES	42
MEASUREMENT FOCUS AND BASIS OF ACCOUNTING.....	42
BUDGET PROCESS.....	43
AUDITING SYSTEM.....	44
GENERAL FUND OPERATIONS	44
SELECTED FINANCIAL INFORMATION.....	47
AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS.....	49
STATE SOURCES.....	49
LOCAL SOURCES	51
ACCOUNTING AND AUDITING SYSTEM.....	53
AD VALOREM TAXATION	54
PROPERTY ASSESSMENT PROCEDURE.....	54
TRUTH IN MILLAGE BILL.....	55
COLLECTION OF TAXES	55
RECENT CONSTITUTIONAL AND LEGISLATIVE AMENDMENTS AFFECTING AD VALOREM TAXES.....	57
HISTORICAL AND CURRENT MILLAGES	62
ASSESSED VALUATION	63
PRINCIPAL TAXPAYERS.....	64
PENSION AND OTHER POSTEMPLOYMENT BENEFIT PLANS	64
INVESTMENT POLICY	66
LITIGATION	67
TAX EXEMPTION	67
OPINION OF SPECIAL COUNSEL.....	67
INTERNAL REVENUE CODE OF 1986	68
COLLATERAL TAX CONSEQUENCES	68
OTHER TAX MATTERS	68
ORIGINAL ISSUE DISCOUNT	69
ORIGINAL ISSUE PREMIUM.....	69
RATINGS.....	70
LEGAL MATTERS.....	70
FINANCIAL ADVISOR.....	71
UNDERWRITING	71
GENERAL PURPOSE FINANCIAL STATEMENTS.....	72
CONTINGENT FEES	72
CONTINUING DISCLOSURE	72

ACCURACY AND COMPLETENESS OF OFFERING STATEMENT.....	73
AUTHORIZATION OF OFFERING STATEMENT.....	74

APPENDIX A: GENERAL INFORMATION RELATING TO HILLSBOROUGH COUNTY	
APPENDIX B: COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE SCHOOL DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2009	
APPENDIX C: DEFINITIONS APPLICABLE TO THE BASIC DOCUMENTS	
APPENDIX D: FORM OF MASTER TRUST AGREEMENT, AS AMENDED AND SERIES 2010A SUPPLEMENTAL TRUST AGREEMENT	
APPENDIX E: FORM OF MASTER LEASE, AS AMENDED AND SERIES 1999 LEASE AGREEMENT	
APPENDIX F: FORM OF TWENTY-SECOND AMENDMENT TO ASSIGNMENT OF LEASE AGREEMENT	
APPENDIX G: FORM OF GROUND LEASE, AS AMENDED	
APPENDIX H: FORM OF TAX OPINION OF SPECIAL COUNSEL	
APPENDIX I: FORM OF CONTINUING DISCLOSURE CERTIFICATE	

OFFERING STATEMENT

related to

\$97,545,000

REFUNDING CERTIFICATES OF PARTICIPATION

**(School Board of Hillsborough County, Florida Master Lease Program),
Series 2010A**

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

INTRODUCTION

This Offering Statement, including the cover page, inside cover page and appendices hereto, is provided to furnish information with respect to The School Board of Hillsborough County, Florida (the "Board"), and the sale and delivery of the Refunding Certificates of Participation (School Board of Hillsborough County, Florida Master Lease Program), Series 2010A (the "Series 2010A Certificates"), which are being issued in the aggregate principal amount of \$97,545,000 pursuant to a Master Trust Agreement, dated as of April 1, 1994, as amended and supplemented, and particularly as amended and supplemented by the Series 2010A Supplemental Trust Agreement, dated as of April 1, 2010 (collectively, the "Trust Agreement"), each by and among the Board, the Hillsborough School Board Leasing Corporation, a Florida not-for-profit corporation, as lessor thereunder (the "Corporation"), and The Bank of New York Mellon Trust Company, N.A., Jacksonville, Florida, as successor trustee to NationsBank of Florida, N.A., Tampa, Florida (the "Trustee"), who is also serving as Paying Agent and Registrar. The Series 2010A Certificates represent an undivided proportionate interest of the owners thereof in the right to receive Basic Rent Payments (herein defined) payable under a Master Lease-Purchase Agreement dated as of April 1, 1994, as amended and supplemented (the "Master Lease"), by and between the Corporation and the Board, as supplemented by the Second Amended and Restated Lease Schedule No. 1999 ("Second Amended and Restated Lease Schedule No. 1999" and together with the Master Lease, the "Series 1999 Lease Agreement"), on a pro rata basis with the Unrefunded Series 2001A Certificates (as defined herein).

The Refunded Certificates

In January 2001, the Board entered into the Amended and Restated Lease Schedule No. 1999 to the Master Lease (the "Existing Series 1999 Lease Schedule") and leased certain educational and related facilities (the "Series 1999 Project"), which Existing Series 1999 Lease Agreement is automatically renewable annually through June 30, 2025. In connection with the execution and delivery of the Existing Series 1999 Lease Schedule, the Trustee executed and delivered \$103,770,000 Refunding Certificates of Participation, Series 2001A (the "Series 2001A Certificates"), \$101,170,000 of which are currently outstanding, which refinanced the Series 1999 Project. As described herein, a

portion of the proceeds of the Series 2010A Certificates will be used to currently refund a portion of the outstanding Series 2001A Certificates (the "Refunded Certificates").

Upon the issuance of the Series 2010A Certificates, the Board will enter into the Second Amended and Restated Lease Schedule No. 1999 which amends and restates the Existing Series 1999 Lease Schedule in its entirety and provides for the further refinancing of a portion of the Series 1999 Project. See "THE REFINANCED PROJECT" herein. Subject to the Board's right of non-appropriation, the Series 1999 Lease Agreement will be automatically renewable through June 30, 2025. See "PLAN OF REFINANCE" herein.

The Prior Certificates

The following table presents a summary of the existing 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 following the issuance of the Series 2010A Certificates and the refunding of the Refunded Certificates. See "THE PRIOR CERTIFICATES" herein for information regarding the issuance of each Series of Certificates.

<u>Lease Schedule</u>	<u>Projects Financed</u>	<u>Final Termination Date of Lease</u>	<u>Related Series of Certificates</u>	<u>Outstanding Principal</u>
Series 1996 Lease	Series 1996 Project	06/30/2017	Series 2004A	\$ 27,305,000
Series 1998 Lease	Series 1994 Project	06/30/2023	Subseries 1998A	88,845,000
	Series 1995 Project		Series 2006B ⁽¹⁾	20,794,000
	Series 1998 Project		Series 2008A	109,830,000
	Series 1999 Project		Series 2001A	2,135,000 ⁽³⁾
Series 1999 Lease	Series 1999 Project	06/30/2025	Series 2010A	97,545,000 ⁽³⁾
			Series 2000-QZAB	2,663,000 ⁽²⁾
Series 2000-QZAB Lease	Series 2000-QZAB Project	03/31/2012	Series 2000-QZAB	2,663,000 ⁽²⁾
Series 2000 Lease	Series 2000 Project	06/30/2026	Series 2005A	47,735,000
Series 2001B Lease	Series 2001B Project	06/30/2026	Series 2001B	3,325,000
			Series 2006B ⁽¹⁾	56,231,000
Series 2001-QZAB Lease	Series 2001-QZAB Project	11/06/2015	Series 2001-QZAB	3,103,260 ⁽²⁾
Series 2002 Lease	Series 2002 Project	06/30/2028	Series 2002	63,425,000
Series 2003B Lease	Series 2003B Project	06/30/2029	Series 2003B	72,065,000
Series 2004B Lease	Series 2004B Project	06/30/2026	Series 2004B	47,725,000
Series 2004-QZAB Lease	Series 2004-QZAB Project	06/30/2020	Series 2004-QZAB	2,980,430 ⁽²⁾
Series 2004C Lease	Series 2004C Project	06/30/2030	Series 2004C	84,050,000
Series 2005-QZAB Lease	Series 2005-QZAB Project	12/20/2020	Series 2005-QZAB	1,612,728 ⁽²⁾
Series 2006A Lease	Series 2006A Project	06/30/2031	Series 2006A	81,135,000
Series 2007 Lease	Series 2007 Project	06/30/2031	Series 2007	80,555,000
			Total	\$ 893,059,418

⁽¹⁾ The Series 2006B Certificates were allocated to the Series 1998 Lease and the Series 2001B Lease.

⁽²⁾ Amounts remaining to be deposited to the applicable sinking fund such that amounts deposit therein together with the interest earnings thereon will equal the total principal and interest due on the respective maturity dates.

⁽³⁾ The outstanding principal amount is following the issuance of the Series 2010A Certificates and the refunding of the Refunded Certificates.

Brief descriptions of the Series 2010A Certificates, the Board, the Corporation, the Series 1999 Lease Agreement, the Trust Agreement, the Assignment and the Ground Lease (as defined

herein) are included in this Offering Statement. All references herein to the Series 2010A Certificates, the Board, the Corporation, the Series 1999 Lease Agreement, the Trust Agreement, the Assignment and the Ground Lease are qualified in their entirety by reference to the respective complete documents. Copies of forms of the Trust Agreement, the Series 1999 Lease Agreement, the Assignment and the Ground Lease are attached hereto as Appendices D, E, F and G, respectively. This Offering Statement speaks only as of its date and the information contained herein is subject to change. This Offering Statement is intended to be made available through the office of the Board's Chief Business Officer, 901 East Kennedy Boulevard, 3rd Floor, Tampa, Florida 33602.

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

AUTHORIZATION

Pursuant to the applicable provisions of Florida law, including particularly Chapters 1001, 1010 and 1013, Florida Statutes, as amended, the Board has the power and authority to enter into transactions contemplated by the Series 1999 Lease Agreement, the Ground Lease, the Trust Agreement and the Series 2010A Certificates. The Board authorized doing so pursuant to a resolution adopted by the Board on February 23, 2010.

PLAN OF REFINANCE

The outstanding Series 2001A Certificates maturing on July 1 in the years 2011 through 2021, inclusive, and 2025 (collectively, the "Refunded Certificates"), are expected to be refunded on July 1, 2010 pursuant to the plan of refinancing. The moneys required to refund and prepay the Refunded Certificates will be derived from a portion of the proceeds of the Series 2010A Certificates and other legally available funds of the District. The Refunded Certificates will be prepaid on July 1, 2010 at a Prepayment Price of 100%, plus accrued interest. The Series 2001A Certificates maturing on July 1, 2010 (the "Unrefunded Series 2001A Certificates") are not expected to be refunded with proceeds of the Series 2010A Certificates.

A portion of the proceeds of the Series 2010A Certificates, together with other legally available funds provided by the Board, will be irrevocably placed in an escrow fund (the "Escrow Fund") with The Bank of New York Mellon Trust Company, N.A., as escrow agent (the "Escrow Agent") pursuant to an escrow deposit agreement, between the Board and the Escrow Agent (the "Escrow Agreement"). Such funds will be applied to purchase obligations the principal of and interest on which are unconditionally guaranteed by the full faith and credit of the United States of America ("Refunding Securities"). Such Refunding Securities will mature at such times and bear interest in such amounts so that sufficient moneys will be available from the maturing principal and interest thereof, together with any initial cash balances, to pay the principal of and accrued interest on the Refunded Certificates on July 1, 2010.

Upon the deposit of such moneys, the Refunded Certificates shall no longer be deemed outstanding for purposes of the Trust Agreement and the resolutions and other documents authorizing their issuance, and all liability of the Corporation and the Board with respect thereto shall cease, terminate and be completely discharged and extinguished, and the holders thereof shall be entitled to payment solely out of the moneys and securities on deposit pursuant to the Escrow Agreement.

VERIFICATION

As of the delivery date of the Series 2010A Certificates, Causey, Demgen & Moore, Inc., certified public accountants (the "Verification Agent") will verify, from information provided to them, the mathematical accuracy of the computations contained in schedules provided by Wachovia Bank, N.A., to determine that the anticipated receipts from the Refunding Securities and the initial cash deposit to be held in the Escrow Fund will be sufficient to pay on July 1, 2010, the principal of and interest on the Refunded Certificates. The Verification Agent will express no opinion on the assumptions provided to them nor as to the exclusion from gross income for federal income tax purposes of the interest on the Series 2010A Certificates.

THE PRIOR CERTIFICATES

In July 2008, the Board entered into the Third Amended and Restated Lease Schedule No. 1998 to the Master Lease (the "Third Amended and Restated Lease Schedule No. 1998" and together with the Master Lease, the "Series 1998 Lease Agreement"), and leased certain educational and related facilities (the "Series 1994 Project," the "Series 1995 Project," and the "Series 1998 Project") thereunder. The Series 1998 Lease Agreement relates to three series of Certificates which are secured on a parity basis by the Series 1998 Lease Agreement. The Series 1998 Certificates (the "Series 1998 Certificates") were issued in the original principal amount of \$336,930,000 and are currently outstanding in the principal amount of \$88,845,000. The Refunding Certificates of Participation, Series 2006B (the "Series 2006B Certificates"), which refunded a portion of the Series 1998 Certificates, were delivered in the original principal amount of \$77,900,000 and are currently outstanding in the principal amount of \$77,025,000, \$20,794,000 of which has been allocated to the Series 1998 Lease Agreement. The Certificates of Participation, Series 2008A (the "Series 2008A Certificates"), which also refunded a portion of the Series 1998 Certificates, were delivered in the original principal amount of \$109,830,000, all of which are currently outstanding. The Series 1998 Lease Agreement is automatically renewable through June 30, 2023.

In April 2000, the Board entered into a Lease Schedule No. 2000-QZAB to the Master Lease (together with the Master Lease, the "Series 2000-QZAB Lease Agreement") and leased certain educational and related facilities (the "Series 2000-QZAB Project"), which Series 2000-QZAB Lease Agreement is automatically renewable annually through March 31, 2012. See "THE PRIOR PROJECTS – Series 2000-QZAB Project" herein. In connection with the execution and delivery of the Series 2000-QZAB Lease Agreement, the Trustee executed and delivered \$7,088,000 aggregate principal amount of the Certificates of Participation, Series 2000-QZAB (the "Series 2000-QZAB

Certificates"), all of which are currently outstanding with \$4,425,000 having been deposited into a sinking fund related thereto.

In February 2005, the Board entered into the Fourth Amended and First Restated Lease Schedule No. 2000 to the Master Lease (together with the Master Lease, the "Series 2000 Lease Agreement") and leased certain educational and related facilities (the "Series 2000 Project"), which Series 2000 Lease Agreement is automatically renewable annually through June 30, 2026. See "THE PRIOR PROJECTS – Series 2000 Project" herein. In connection with the execution and delivery of the Series 2000 Lease Agreement, the Trustee executed and delivered \$48,915,000 aggregate principal amount of Certificates of Participation, Series 2005A (the "Series 2005A Certificates"), which are currently outstanding in the principal amount of \$47,735,000.

In July 2001, the Board entered into Lease Schedule No. 2001B to the Master Lease (the "Original Series 2001B Lease Agreement") and leased certain educational and related facilities (the "Series 2001B Project"), which Original Series 2001B Lease Agreement was amended and restated by the Amended and Restated Lease Schedule No. 2001B in January 2007 (together with the Master Lease, the "Series 2001B Lease Agreement"), in connection with the issuance of the Series 2006B Certificates. See "THE PRIOR PROJECTS – Series 2001B Project" herein. In connection with the issuance and delivery of the Original Series 2001B Lease Agreement, the Trustee executed and delivered \$69,265,000 aggregate principal amount of Certificates of Participation, Series 2001B (the "Series 2001B Certificates"), a portion of which were refunded with a portion of the proceeds of the Series 2006B Certificates. The Series 2001B Certificates are currently outstanding in the principal amount of \$3,325,000. The Series 2006B Certificates are currently outstanding in the principal amount of \$77,025,000, \$56,231,000 of which have been allocated to the Series 2001B Lease Agreement and which are secured on a parity with the Series 2001B Certificates.

In November 2001, the Board entered into the Lease Schedule No. 2001-QZAB to the Master Lease (together with the Master Lease, the "Series 2001-QZAB Lease Agreement") and leased certain educational and related facilities (the "Series 2001-QZAB Project"), which Series 2001-QZAB Lease Agreement is automatically renewable annually through November 6, 2015. See "THE PRIOR PROJECTS – Series 2001-QZAB Project" herein. In connection with the execution and delivery of the Series 2001-QZAB Lease Agreement, the Trustee executed and delivered \$9,600,000 aggregate principal amount of the Certificates of Participation, Series 2001-QZAB (the "Series 2001-QZAB Certificates"), all of which are currently outstanding with \$5,979,530 having been deposited into a sinking fund related thereto.

In September 2002, the Board entered into the Lease Schedule No. 2002, as amended, to the Master Lease (together with the Master Lease, the "Series 2002 Lease Agreement") and leased certain educational and related facilities (the "Series 2002 Project"), which Series 2002 Lease Agreement is automatically renewable annually through June 30, 2028. See "THE PRIOR PROJECTS – Series 2002 Project" herein. In connection with the execution and delivery of the Series 2002 Lease Agreement, the Trustee executed and delivered \$64,010,000 aggregate principal amount of Certificates of Participation, Series 2002 (the "Series 2002 Certificates"), \$63,425,000 of which are currently outstanding.

In September 2003, the Board entered into the Lease Schedule No. 2003B, as amended, to the Master Lease (together with the Master Lease, the "Series 2003B Lease Agreement") and leased certain educational and related facilities (the "Series 2003B Project"), which Series 2003B Lease Agreement is automatically renewable annually through June 30, 2029. See "THE PRIOR PROJECTS – Series 2003B Project" herein. In connection with the execution and delivery of the Series 2003B Lease Agreement, the Trustee executed and delivered \$72,065,000 aggregate principal amount of Certificates of Participation, Series 2003B (the "Series 2003B Certificates"), all of which are currently outstanding.

In February, 2004, the Board entered into the Fourth Amended and First Restated Lease Schedule No. 1996, as amended, to the Master Lease (together with the Master Lease, the "Amended and Restated Series 1996 Lease Agreement") and leased certain educational and related facilities (the "Series 1996 Project"), which Amended and Restated Series 1996 Lease Agreement is automatically renewable annually through June 30, 2017. See "THE PRIOR PROJECTS – Series 1996 Project" herein. In connection with the execution and delivery of the Amended and Restated Series 1996 Lease Agreement, the Trustee executed and delivered \$27,305,000 aggregate principal amount of Certificates of Participation, Series 2004A (the "Series 2004A Certificates"), all of which are currently outstanding.

In February, 2004, the Board entered into the Lease Schedule No. 2004B, as amended, to the Master Lease (together with the Master Lease, the "Series 2004B Lease Agreement") and leased certain educational and related facilities (the "Series 2004B Project"), which Series 2004B Lease Agreement is automatically renewable annually through June 30, 2026. See "THE PRIOR PROJECTS – Series 2004B Project" herein. In connection with the execution and delivery of the Series 2004B Lease Agreement, the Trustee executed and delivered \$56,715,000 aggregate principal amount of Certificates of Participation, Series 2004B (the "Series 2004B Certificates"), \$47,725,000 of which are currently outstanding.

In June, 2004, the Board entered into the Lease Schedule No. 2004-QZAB to the Master Lease (together with the Master Lease, the "Series 2004-QZAB Lease Agreement") and leased certain educational and related facilities (the "Series 2004-QZAB Project"), which Series 2004-QZAB Lease Agreement is automatically renewable annually through June 3, 2020. See "THE PRIOR PROJECTS – Series 2004-QZAB Project" herein. In connection with the execution and delivery of the Series 2004-QZAB Lease Agreement, the Trustee executed and delivered \$6,131,000 aggregate principal amount of the Certificates of Participation, Series 2004-QZAB (the "Series 2004-QZAB Certificates"), all of which are currently outstanding with \$3,150,570 having been deposited into a sinking fund related thereto.

In November, 2004, the Board entered into the Lease Schedule No. 2004C to the Master Lease (together with the Master Lease, the "Series 2004C Lease Agreement") and leased certain educational and related facilities (the "Series 2004C Project"), which Series 2004C Lease Agreement is automatically renewable annually through June 30, 2030. In connection with the issuance of the Series 2007 Certificates (hereinafter defined), the Series 2004C Lease Agreement was amended by the First Amendment to Lease Schedule No. 2004C dated as of April 1, 2007 to provide that certain

educational facilities constituting a portion of the Series 2007 Project are secured on a proportionate basis under the Series 2004C Lease Agreement, the Series 2006A Lease Agreement and the Series 2007 Lease Agreement. See "THE PRIOR PROJECTS – Series 2004C Project" herein. In connection with the execution and delivery of the Series 2004C Lease Agreement, the Trustee executed and delivered \$89,750,000 aggregate principal amount of the Certificates of Participation, Series 2004C (the "Series 2004C Certificates"), \$84,050,000 of which are currently outstanding.

In December, 2005 the Board entered into the Lease Schedule No. 2005-QZAB to the Master Lease (together with the Master Lease, the "Series 2005-QZAB Lease Agreement") and leased certain educational and related facilities (the "Series 2005-QZAB Project"), which Series 2005-QZAB Lease Agreement is automatically renewable annually through December 20, 2020. See "THE PRIOR PROJECTS – Series 2005-QZAB Project" herein. In connection with the execution and delivery of the Series 2005-QZAB Lease Agreement, the Trustee executed and delivered \$3,002,000 aggregate principal amount of Certificates of Participation, Series 2005-QZAB (the "Series 2005-QZAB Certificates"), all of which are currently outstanding with \$1,242,660 having been deposited into a sinking fund related thereto.

In January, 2006, the Board entered into the Lease Schedule No. 2006A to the Master Lease (together with the Master Lease, the "Series 2006A Lease Agreement") and leased certain educational and related facilities (the "Series 2006A Project"), which Series 2006A Lease Agreement is automatically renewable annually through June 30, 2031. In connection with the issuance of the Series 2007 Certificates, the Series 2006A Lease Agreement was amended by the First Amendment to Lease Schedule No. 2006A dated as of April 1, 2007 to provide that certain educational facilities constituting a portion of the Series 2006A Project are secured on a proportionate basis under the Series 1998 Lease Agreement and/or the Series 2006A Lease Agreement and the Series 2007 Lease Agreement. See "THE PRIOR PROJECTS – Series 2006A Project" herein. In connection with the execution and delivery of the Series 2006A Lease Agreement, the Trustee executed and delivered \$86,435,000 aggregate principal amount of the Certificates of Participation, Series 2006A (the "Series 2006A Certificates"), \$81,135,000 of which are currently outstanding.

In April, 2007, the Board entered into the Lease Schedule No. 2007 to the Master Lease (together with the Master Lease, the "Series 2007 Lease Agreement") and leased certain educational and related facilities (the "Series 2007 Project"), which Series 2007 Lease Agreement is automatically renewable annually through June 30, 2031. In connection with the issuance of the Series 2007 Certificates, the Series 2004C Lease Agreement was amended by the First Amendment to Lease Schedule No. 2004C dated as of April 1, 2007 to provide that certain educational facilities constituting a portion of the Series 2007 Project are secured on a proportionate basis under the Series 2004C Lease Agreement, the Series 2006A Lease Agreement and the Series 2007 Lease Agreement. See "THE PRIOR PROJECTS – Series 2007 Project" herein. In connection with the execution and delivery of the Series 2007 Lease Agreement, the Trustee executed and delivered \$84,685,000 aggregate principal amount of the Certificates of Participation, Series 2007 (the "Series 2007 Certificates"), \$80,555,000 of which are currently outstanding.

The Series 1998 Certificates, the Series 2000-QZAB Certificates, the Unrefunded Series 2001A Certificates, the Series 2001B Certificates, the Series 2001-QZAB Certificates, the Series 2002 Certificates, the Series 2003B Certificates, the Series 2004A Certificates, the Series 2004B Certificates, the Series 2004-QZAB Certificates, the Series 2004C Certificates, the Series 2005A Certificates, the Series 2005-QZAB Certificates, the Series 2006A Certificates, the Series 2006B Certificates, the Series 2007 Certificates, and the Series 2008A Certificates are referred to herein, collectively, as the "Prior Certificates." Similarly, the Series 1994 Project, the Series 1995 Project, the Series 1996 Project, the Series 1998 Project, the Series 2000 Project, the Series 2000-QZAB Project, the Series 2001B Project, the Series 2001-QZAB Project, the Series 2002 Project, the Series 2003B Project, the Series 2004B Project, the Series 2004-QZAB Project, the Series 2004C Project, the Series 2005-QZAB Project, the Series 2006A Project and the Series 2007 Project are collectively referred to herein as the "Prior Projects".

The rights, title and interest of the Corporation in the Series 1999 Lease Agreement, including the right of the Corporation to receive Basic Rent (herein defined), to use, sell and relet projects and to exercise remedies thereunder, other than its rights to indemnification, its right to enter into additional Lease Schedules and its obligation not to impair the tax status of the Series 2010A Certificates and the Unrefunded Series 2001A Certificates, have been irrevocably assigned by outright assignment to the Trustee pursuant to an Assignment of Lease Agreement dated as of April 1, 1994, as amended, and particularly as amended pursuant to a Twenty-Second Amendment to Assignment of Lease Agreement, dated as of April 1, 2010 (the "Assignment").

The Series 2010A Certificates are being issued to provide funds for the purposes of (i) refunding the Refunded Certificates, and (ii) paying certain costs of issuance with respect to the Series 2010A Certificates.

The Board has agreed to undertake, for the benefit of Series 2010A Certificate Owners, to provide certain annual financial information and operating data and certain material event notices when and if they occur relating to the District and the Series 2010A Certificates pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended. See "CONTINUING DISCLOSURE" herein.

THE SERIES 2010A CERTIFICATES

Form and Denomination

The Series 2010A Certificates are issuable as fully registered Certificates in denominations of \$5,000 or any integral multiple thereof. The Series 2010A Certificates shall be dated their date of delivery and shall mature in the years and principal amounts and bear interest at the rates set forth on the inside cover page of this Offering Statement. The Series 2010A Certificates shall initially be issued exclusively in "book-entry" form and ownership of one fully registered Series 2010A 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 DTC.

The interest component of Basic Rent Payments represented by the Series 2010A Certificates is payable on January 1 and July 1 of each year, commencing July 1, 2010. Said interest component shall represent an undivided proportionate interest in a portion of the Interest Component of Basic Rent Payments due on December 15 and June 15 of each year (each a "Payment Date") as set forth in the Series 1999 Lease Agreement, to and including the maturity date of each Series 2010A Certificate, or upon earlier prepayment, at the rates set forth on the inside cover page hereof. Interest will be paid by check or draft of the Trustee, as Paying Agent and Registrar, mailed on each Payment Date to the Owners of the Series 2010A Certificates listed in the registration books maintained by the Trustee on the fifteenth day of the month (whether or not a business day) next preceding each Payment Date. DTC will act as securities depository and payment will be made as described below under " – Book-Entry Only System."

The principal amount of the Series 2010A Certificates payable at maturity or upon prepayment thereof, whichever is earlier, shall represent an undivided proportionate interest in a portion of the Principal Component of Basic Rent Payments on each of the dates set forth in the Series 1999 Lease Agreement. The Principal Component of Basic Rent Payments represented by the Series 2010A Certificates is payable to the Owner thereof upon presentation, when due, at maturity or upon earlier prepayment, at the designated corporate trust office of the Trustee in Jacksonville, Florida.

Optional Prepayment

The Series 2010A Certificates maturing on and before July 1, 2020 will not be subject to prepayment at the option of the Board. The Series 2010A Certificates maturing on and after July 1, 2021 may be prepaid at the option of the Board from prepayments of Basic Rent made by the Board pursuant to the Series 1999 Lease Agreement, in whole or in part on July 1, 2020 or any date thereafter, and if in part, by lot within a maturity in such manner as may be designated by the Trustee, at a Prepayment Price equal to the principal amount of the Series 2010A Certificates or portion thereof to be prepaid, plus accrued and unpaid interest thereon to the optional prepayment date, without premium.

Extraordinary Prepayment

The Series 2010A Certificates are subject to extraordinary prepayment, in whole or in part, on a pro rata basis with the Unrefunded Series 2001A Certificates, on any Mandatory Prepayment Date (if in part, in any order of maturity as directed by the Board or, in the absence of such direction, in inverse order of maturity and by lot within maturities), without prepayment premium at a Prepayment Price equal to the principal amount thereof, together with accrued interest to the Mandatory Prepayment Date, from the Net Proceeds of insurance or condemnation related to the Series 1999 Project deposited with the Trustee pursuant to the Lease Agreement. For purposes of this paragraph, the Mandatory Prepayment Date shall be the next succeeding Payment Date; provided, however, if such Payment Date occurs within forty (40) days of receipt by the Trustee of the moneys to be used for such prepayment, the Mandatory Prepayment Date shall be the second succeeding Payment Date.

Notice of Prepayment

Notice of prepayment of the Series 2010A Certificates and of prepayment of such Series 2010A Certificates shall be mailed, postage prepaid, not more than sixty (60) days nor fewer than thirty (30) days prior to the date of prepayment, to the Owners of such Series 2010A Certificates to be prepaid. Such mailing shall not be a condition precedent to such prepayment, and failure to mail any such notice, or any defect in such notice as mailed, shall not affect the validity of the proceeding for the prepayment of such Series 2010A Certificates.

Each such notice shall state: (i) the CUSIP numbers of all Series 2010A Certificates being prepaid, (ii) the original issue date of such Series 2010A Certificates, (iii) the maturity date and rate of interest borne by each Series 2010A 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 2010A Certificates are to be prepaid, the certificate number (and, in the case of a partial prepayment of any Series 2010A Certificate, the principal amount) of each Series 2010A Certificate to be prepaid, (viii) that on such prepayment date, there shall become due and payable upon each Series 2010A 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 2010A 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, (ix) that the Series 2010A 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, and (x) the name and telephone number of a person designated by the Trustee to be responsible for such prepayment.

The 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 2010A Certificates, provided that, notice of any prepayment of Series 2010A Certificates shall either (i) 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 2010A Certificates to be prepaid, or (ii) be sent only if sufficient funds or Refunding Securities to pay the full Prepayment Price of the Series 2010A Certificates to be prepaid is on deposit in the applicable account or subaccount. 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.

Book-Entry Only System

THE FOLLOWING INFORMATION CONCERNING DTC AND DTC'S BOOK-ENTRY ONLY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE CORPORATION, THE BOARD AND THE UNDERWRITERS BELIEVE TO BE RELIABLE, BUT THE CORPORATION, THE BOARD AND THE UNDERWRITERS TAKE NO RESPONSIBILITY FOR THE ACCURACY THEREOF.

DTC will act as securities depository for the Series 2010A Certificates. The Series 2010A Certificates will be registered in the name of Cede & Co. (DTC's partnership nominee). Purchases of beneficial ownership interests in the Series 2010A Certificates will be made in book-entry only form, in the denominations hereinbefore described. Purchasers of beneficial ownership interests in the Series 2010A Certificates ("Beneficial Owners") will not receive Series 2010A Certificate representing their ownership interests in the Series 2010A Certificates, except in the event that use of the book-entry only system for the Series 2010A Certificates is discontinued. One fully registered certificate will be issued for each maturity of the Series 2010A Certificates, and deposited with DTC.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES 2010A CERTIFICATES, AS NOMINEE OF DTC, REFERENCES IN THIS OFFERING STATEMENT TO THE SERIES 2010A CERTIFICATEHOLDERS OR REGISTERED OWNERS OF THE SERIES 2010A CERTIFICATES SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2010A CERTIFICATES. THE DESCRIPTION WHICH FOLLOWS OF THE PROCEDURES AND RECORD KEEPING WITH RESPECT TO BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2010A CERTIFICATES, PAYMENT OF INTEREST AND PRINCIPAL ON THE SERIES 2010A CERTIFICATES TO DIRECT PARTICIPANTS (AS HEREINAFTER DEFINED) OR BENEFICIAL OWNERS OF THE SERIES 2010A CERTIFICATES, CONFIRMATION AND TRANSFER OF BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2010A CERTIFICATES, AND OTHER RELATED TRANSACTIONS BY AND BETWEEN DTC, THE DIRECT PARTICIPANTS AND BENEFICIAL OWNERS OF THE SERIES 2010A CERTIFICATES IS BASED SOLELY ON INFORMATION FURNISHED BY DTC. ACCORDINGLY, THE BOARD NEITHER MAKES NOR CAN MAKE ANY REPRESENTATIONS CONCERNING THESE MATTERS.

DTC, the world's largest 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 and 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, dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the "Indirect Participants"). DTC

has Standard and Poor's highest rating: AAA. The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Series 2010A Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for such Series 2010A Certificates on DTC's records. The ownership interest of each actual purchaser of each Series 2010A 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 2010A Certificates are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their beneficial interests in the Series 2010A Certificates, except in the event that use of the book-entry system for the Series 2010A Certificates is discontinued.

To facilitate subsequent transfers, all Series 2010A 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 2010A 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 2010A Certificates. DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2010A Certificates are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping an account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements made among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Redemption notices shall be sent to DTC. If less than all of the Series 2010A Certificates are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Series 2010A Certificates, as the case may be, to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2010A Certificates unless authorized by a Direct Participant in accordance with DTC's 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 2010A Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2010A Certificates will be made to 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 Direct or Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Direct or Indirect Participants and not of DTC or the Trustee, subject to any statutory and regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Trustee for the Series 2010A Certificates. Disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of the Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2010A Certificates at any time by giving reasonable notice to the Board. Under such circumstances, in the event that a successor securities depository is not obtained, certificates are required to be printed and delivered.

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

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Board believes to be reliable, but the Board takes no responsibility for the accuracy thereof.

SECURITY FOR THE SERIES 2010A CERTIFICATES

Master-Lease Aspects

The Master Lease contemplates that the relationship between the Board and the Corporation will be a continuing one, that Projects in addition to the Prior Projects and the Series 1999 Project may be added to the Master Lease from time to time, and that Additional Certificates in addition to the Series 2010A Certificates will be issued under the Trust Agreement in connection with such Projects. The Board has previously entered into the Prior Leases as described under the heading "INTRODUCTION".

The Series 2010A Certificates evidence fractional undivided interests in a portion of the Basic Rent Payments to be made by the School Board under the Series 1999 Lease Agreement. The Series 2010A Certificates are secured by and payable from the Trust Estate established for the Series 2010A Certificates pursuant to the Trust Agreement, on a pro rata basis with the Unrefunded Series 2001A Certificates. The Trust Estate consists of, among other things, all estate, right, title and interest of the Trustee in and to the Basic Rent Payments under the Series 1999 Lease Agreement, and all amounts held in the funds and accounts under the Trust Agreement in accordance with the provisions of the Master Lease and the Trust Agreement, including investment earnings thereon, and any and all monies received by the Trustee pursuant to the Series 1999 Lease Agreement and the Trust Agreement which are not required to be remitted to the Board or the Corporation pursuant to the Master Lease or the Trust Agreement.

The owners of the Series 2010A Certificates shall have no claim against, nor receive any benefits from, any portion of the Trust Estate derived from the sale, reletting or other disposition of Projects, other than the Series 1999 Project (except for Designated Equipment), on a pro rata basis with the owners of the Unrefunded Series 2001A Certificates, or any cash, securities or investments in the Pledged Accounts, other than the Series 2010A Pledged Accounts. See "SECURITY FOR THE SERIES 2010A CERTIFICATES - Lease Payment Fund" and "-Additional Series of Certificates."

Limited Obligation of the Board

The obligation of the Board to make Lease Payments, which includes Basic Rent and Supplemental Rent under the Series 1999 Lease Agreement, is a limited and special obligation, payable solely from moneys specifically appropriated by the Board for such purpose from the Board's Available Revenues (hereinafter defined). There shall be credited, against such obligation, moneys, if any, on deposit with the Trustee in certain accounts pledged under the Trust Agreement and from amounts, if any, realized from the exercise of remedies with respect to the Series 1999 Project (other than Designated Equipment) by the Trustee on behalf of Certificate Owners. Such Basic Rent is subject to annual appropriation by the Board and the Series 1999 Lease Agreement shall be terminated upon the occurrence of an Event of Non-Appropriation. An "Event of Non-Appropriation" will occur if the Board does not approve a tentative Budget and a final Budget in accordance with State law which appropriates sufficient funds from Available Revenues to continue paying Basic Rent in full for all Projects (including the Prior Projects and the Series 1999 Project) leased under the Master Lease beyond the end of such Initial Lease Term or Renewal Lease Term for the following Renewal Lease Term. The Lease Term shall be deemed renewed pending the enactment of the final Budget and the Board shall be liable for any Basic Rent and other obligations under the Master Lease coming due during such period but only if the tentative Budget and the final Budget makes available to the Board moneys which may be legally used to pay the Basic Rent and pay such other obligations coming due during such period. Upon the occurrence of an Event of Non-Appropriation, the Board will not be obligated to pay Basic Rent for the Series 1999 Lease Agreement and any other obligations accruing beyond the then current Fiscal Year.

While the Board is not legally obligated to do so, it has represented in the Master Lease that it is its present intent to continue the Series 1999 Lease Agreement with respect to the Series 1999 Project for the Maximum Lease Term thereof (ending June 30, 2025). Subject to the right of non-appropriation, the Board has agreed in the Master Lease to take such action as may be necessary to include all Basic Rent due under the Master Lease as a separately stated line item in its Budget and to appropriate in each Fiscal Year from Available Revenues an amount necessary to pay the Basic Rent due in such Fiscal Year.

"Available Revenues" means the moneys and revenues of the Board legally available under the Act to pay the Basic Rent. Available Revenues may include, but are not limited to, Capital Outlay Millage and Florida Education Finance Program ("FEFP") funds as each is further described below. See "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS" herein.

The Board may issue indebtedness which is not in connection with the Master Lease secured by any of its Available Revenues without the consent of the Owners of the Series 2010A Certificates. The incurrence of such indebtedness by the Board may adversely affect the Board's ability to pay Basic Rent under the Master Lease.

BASIC RENT AND, CONSEQUENTLY, THE CERTIFICATE PAYMENTS OF PRINCIPAL AND INTEREST ARE PAYABLE SOLELY FROM THE BOARD'S AVAILABLE REVENUES, AND NEITHER THE BOARD, THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA (THE "DISTRICT"), HILLSBOROUGH COUNTY, FLORIDA (THE "COUNTY"), THE STATE OF FLORIDA, NOR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF SHALL BE OBLIGATED TO PAY ANY SUMS DUE UNDER THE SERIES 1999 LEASE AGREEMENT EXCEPT FROM AVAILABLE REVENUES APPROPRIATED FOR SUCH PURPOSE. BASIC RENT IS SUBJECT TO ANNUAL APPROPRIATION BY THE BOARD. THE CERTIFICATE PAYMENTS OF PRINCIPAL AND INTEREST AND THE PAYMENTS DUE FROM THE BOARD UNDER THE SERIES 1999 LEASE AGREEMENT AND THE CONTRACTUAL OBLIGATIONS OF THE BOARD UNDER THE SERIES 1999 LEASE AGREEMENT DO NOT CONSTITUTE A GENERAL OBLIGATION OR A PLEDGE OF THE FAITH AND CREDIT OF THE BOARD, THE DISTRICT, THE COUNTY, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. THE ISSUANCE OF THE SERIES 2010A CERTIFICATES WILL NOT DIRECTLY OR INDIRECTLY OBLIGATE THE BOARD, THE DISTRICT, THE COUNTY, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF, TO LEVY OR TO PLEDGE ANY FORM OF AD VALOREM TAXATION WHATSOEVER THEREFOR AND THE OWNERS OF THE SERIES 2010A CERTIFICATES WILL HAVE NO RECOURSE TO THE POWER OF AD VALOREM TAXATION OF THE BOARD OR ANY OTHER GOVERNMENTAL ENTITY.

THE BOARD IS NOT OBLIGATED TO APPROPRIATE AVAILABLE REVENUES TO PAY BASIC RENT. IF, FOR ANY FISCAL YEAR, THE 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 BOARD WILL NOT BE OBLIGATED TO PAY ANY BASIC RENT ACCRUING OR ARISING BEYOND SUCH LAST DAY. IN SUCH EVENT, THE 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 1999 PROJECT, TO THE TRUSTEE.

Uniform Commercial Code

The Series 2010A Certificates will have all the qualities and incidents of an investment security under the Uniform Commercial Code-Investment Securities Law of the State and are exempt from the provisions of the uniform commercial code relating to secured transactions.

Lease Payment Fund

The Trust Agreement provides for the establishment and maintenance of a single Lease Payment Fund, with a Principal Account and an Interest Account for deposit of Basic Rent Payments appropriated and paid under the Master Lease. With certain limited exceptions, separate subaccounts within the Principal Account and the Interest Account will be established upon the issuance of each additional series of Certificates under the Trust Agreement. Basic Rent due under all Lease Schedules to the Master Lease is subject to annual appropriation by the Board on an all-or-none basis and is payable on a parity basis solely from Available Revenues; provided that (i) Basic Rent with respect to a particular Lease Schedule and Series of Certificates may be additionally and separately secured by a Credit Facility or insurance policy, and (ii) Owners of various Series of Certificates are not on a parity as to the amounts in the separate subaccounts established in the Lease Payment Fund with respect to a particular series. The Series 1999 Project is just a portion of a series of Projects financed under the Master Lease. There is no limit on the number of additional Projects that may be financed thereunder. The Board may enter into additional lease schedules from time to time, without limitation, for the lease purchase financing of additional Projects. Such additional Projects may be financed through the sale of additional series of Certificates under the Trust Agreement. PURSUANT TO THE MASTER LEASE, THE BOARD MAY NOT BUDGET AND APPROPRIATE BASIC RENT FOR A PORTION OF THE PROJECTS LEASED THEREUNDER; IT MUST BUDGET AND APPROPRIATE FOR ALL PROJECTS OR NONE OF THEM. There can be no assurance that sufficient funds will be appropriated or otherwise be made available to make all of the Lease Payments. See " – Limited Obligation of the Board" herein for further information regarding the effect of an Event of Non-appropriation under the Master Lease.

Flow of Funds

Pursuant to the Trust Agreement, the following funds and accounts were established:

- (1) the "School Board of Hillsborough County, Florida Master Lease Project Fund" (the "Project Fund"), which consists of a Project Account, Capitalized Interest Account and a Costs of Issuance Account;
- (2) the "School Board of Hillsborough County, Florida Master Lease Payment Fund" (the "Lease Payment Fund"), which consists of a Principal Account and an Interest Account;
- (3) the "School Board of Hillsborough County, Florida Master Lease Prepayment Fund" (the "Prepayment Fund"); and

(4) the "School Board of Hillsborough County, Florida Master Lease Rebate Fund" (the "Rebate Fund").

Series subaccounts have been or will be established within the Principal Account, Interest Account, Project Account, Costs of Issuance Account and Prepayment Fund for each Series of Certificates.

Basic Rent Payments paid to the Trustee, as assignee of the Corporation pursuant to the Master Lease and the Assignment, shall be deposited as received by the Trustee in the Lease Payment Fund and applied by the Trustee in the following manner and in the following order of priority:

(i) There shall be deposited to the subaccount of the Interest Account established for the payment of a Series of Certificates from the Interest Component of Basic Rent made in relation to such Series of Certificates an amount which shall be sufficient to pay the interest becoming due on such Series of Certificates on the next succeeding Payment Date. Moneys in each subaccount of the Interest Account shall be used to pay the interest on the Series of Certificates for which it was established as and when the same become due, whether by redemption or otherwise, and for no other purpose. No further deposit need be made to the Interest Account when the moneys therein are equal to the interest coming due on all Outstanding Certificates on the next succeeding Payment Date.

(ii) There shall be deposited to the subaccount of the Principal Account established for the payment of a Series of Certificates from the Principal Component of Basic Rent made in relation to such Series of Certificates an amount which shall be sufficient to pay the principal and the Amortization Installment becoming due on such Series of Certificates on the next succeeding principal Payment Date. Moneys in each subaccount of the Principal Account shall be used to pay the principal and Amortization Installment of the Series of Certificates for which it was established as and when the same shall mature or are redeemed, and for no other purpose. No further deposit need be made to the Principal Account when the moneys therein are equal to the principal and the Amortization Installment coming due on all Outstanding Certificates on the next succeeding principal Payment Date.

Defaults and Remedies

Upon the occurrence of an Event of Default under the Trust Agreement (which includes the occurrence of an "Event of Default" or "Event of Non-Appropriation" under the Master Lease unless the Master Lease "Event of Default" has been remedied or waived), the Trustee is entitled to and, upon direction of the Owners of not less than a majority in aggregate principal of Certificates then Outstanding is required to, exercise a variety of remedies including, without limitation, any one or more of the following: (1) declare the principal of all Certificates of a Series due and payable (but only if the Master Lease has been terminated); (2) protect and enforce its rights and the rights of the Owners under the Trust Agreement, Master Lease or Ground Lease(s); and (3) take possession of the Projects, including the Series 1999 Project (other than Designated Equipment), and sell, re-let or otherwise dispose of the leasehold estate of the Corporation in the Projects, or any portion thereof.

Refunding Certificates

Refunding Certificates may be issued under and secured by the Trust Agreement for the purposes of (i) providing funds for refunding part or all of the Series 2010A Certificates at or prior to their maturity or maturities, including the payment of any Prepayment Premium thereon and interest which will accrue on such Certificates to their date of payment, (ii) making a deposit, as necessary, to the subaccount of the Reserve Account which shall secure such Refunding Certificates, and (iii) paying the Costs of Issuance relating to said Refunding Certificates.

In order to issue Refunding Certificates, the Trustee must have received, among other items, a report of a certified public accountant or firm of certified public accountants verifying the mathematical accuracy of calculations supplied by the Board, or its designee, that the proceeds of such Refunding Certificates plus any other moneys available for such purpose, including investment earnings, shall be not less than an amount sufficient to pay the principal of and the Prepayment Premium, if any, on the Series 2010A Certificates to be refunded and the Interest Component of the Basic Rent represented by such Certificates which will accrue thereon to the prepayment date or maturity dates applicable thereto.

Other than for amounts required to pay Costs of Issuance, the proceeds of such Refunding Certificates and any other moneys received by the Trustee for such purpose, shall be held by the Trustee or other designated fiduciary in a special fund appropriately designated, to be held in trust for the sole and exclusive purpose of paying the principal of and Prepayment Premium, if any, on the Series 2010A Certificates to be refunded and the Interest Component of the Basic Rent represented by such Certificates, all as provided in the Trust Agreement. The Refunding Certificates shall be secured in the same manner and from the same Pledged Accounts as the Certificates to be refunded in accordance with the terms of the Trust Agreement. The Series 2010A Certificates constitute Refunding Certificates under the Trust Agreement.

Additional Certificates and Other Indebtedness

Additional Series of Certificates ("Additional Certificates") may be issued under the Trust Agreement, in addition to the Series 2010A Certificates and the Prior Certificates, to finance additional Projects under the Master Lease without the consent of the Owners of the Series 2010A Certificates. See "SECURITY FOR THE SERIES 2010A CERTIFICATES - Additional Series of Certificates" herein. The number of Series of Certificates that may be created under the Trust Agreement is not limited. The aggregate principal amount of each Series of Certificates which may be issued, authenticated and delivered under the Trust Agreement is not limited except as set forth in the related Lease Schedule specifying the details of such Series.

In addition to Additional Certificates issued under the Master Lease, the Board may also issue indebtedness or other obligations which are not in connection with the Master Lease secured by any of its Available Revenues without the consent of the Owners of the Series 2010A Certificates. The incurrence of such indebtedness or other obligations may affect the Board's obligations to make Lease Payments under the Master Lease. Failure of the Board to appropriate Available Revenues for all Lease Payments under the Master Lease would not necessarily impair the Board's right to

appropriate revenues to make payments for obligations which are not connected to the Master Lease.

Interest Rate Exchange Agreements

In connection with the original issuance of the Series 2004C Certificates, the District entered into a \$29,750,000 floating-to-fixed interest rate swap, effective through December 7, 2014 to hedge a portion of the Series 2004C Certificates maturing July 1, 2030 against future increases in interest rates. The swap effectively converts \$29,750,000 of the Certificates into 10-year synthetic fixed rate debt obligations at an interest rate of 3.736%.

In addition, in connection with the issuance of the Series 1998 Certificates the Board entered into an ISDA Master Agreement between UBS AG ("UBS") and the Board (together with all schedules and confirmations thereto, the "1998 Interest Rate Exchange Agreement"), dated February 19, 2003 and amended April 19, 2005. In exchange for an upfront payment from UBS to the Board, the Board granted UBS the option to put the District into a synthetic fixed payer swap. Such agreement provides that upon the exercise of the option, including the payment of an exercise date payment from UBS to the Board, and the commencement of the swap, the Board will pay UBS a fixed rate of interest on an amortizing notional amount of \$109,830,000. In return, UBS will pay the Board a variable rate based on The Bond Market Association Municipal Swap Index ("BMA Index"), provided by Municipal Market Data, a Thompson Financial Company. The 1998 Interest Rate Exchange Agreement contains five dates on which the option may be exercised. UBS notified the Board of its election to exercise such option as of July 1, 2008 and the Board therefore issued the Series 2008A Certificates. The scheduled payments when due pursuant to the 1998 Interest Rate Exchange Agreement and certain Termination Fees are insured by an interest rate swap insurance policy issued by MBIA Insurance Corporation.

Payments (other than Termination Fees not payable by a Credit Enhancer) made by the Board under the 1998 Interest Rate Exchange Agreement, together with payments due under any similar agreement entered into by the Board in the future, constitute or would constitute Basic Rent Payments under the Master Lease secured by the Lease to which the notional amount relates (i.e., in the case of the 1998 Interest Rate Exchange Agreement, the Series 1998 Lease). If a termination event were to occur under such Agreement, the Board may be confronted with the need to appropriate a significant termination payment or payments within a single fiscal year. Such an obligation could have a material adverse effect on the Board's ability to make Lease Payments. See "APPENDIX B - AUDITED FINANCIAL STATEMENTS OF THE SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA FOR THE FISCAL YEAR ENDED JUNE 30, 2009" and specifically, Note 8 therein entitled "Interest Rate Swap".

RISK FACTORS

The purchaser of the Series 2010A Certificates is subject to certain risks. Each prospective investor in the Series 2010A 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 2010A Certificates to an extent that cannot be determined.

Annual Right of the Board to Terminate the Lease Agreement

Although the Board has determined in the Master Lease that the Series 1999 Project is necessary to its operations and currently intends to continue the Series 1999 Lease Agreement with respect to the Series 1999 Project for the Maximum Lease Term thereof and has covenanted in the Series 1999 Lease Agreement that the Superintendent will include a sufficient amount in the tentative Budget and final Budget to enable the Board to make the Basic Rent due in each Fiscal Year, the Board is not required to appropriate funds to pay Basic Rent. If for any Fiscal Year the 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 Master Lease 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 1999 Project, the Prior Projects and all other Projects financed thereunder, and the Board will not be obligated to make Basic Rent accruing or arising thereafter, and the Board shall be required to surrender use, possession and control of the Series 1999 Project (other than the Designated Equipment) and all other Projects to the Trustee within sixty (60) Business Days.

The likelihood that the Series 1999 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 1999 Project and Prior Projects to the Board and changes in population or demographics within the County (which may impact such future utility).

Limitation 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 1999 Project (other than Designated Equipment). However, due to the governmental nature of the Series 1999 Project, it is not certain whether a court would permit the exercise of the remedies to sell, relet or dispose of the Series 1999 Project. Also, there is no assurance that the Trustee will be able to sell, relet or dispose of the components of the Series 1999 Project or that the Owners of the Series 2010A Certificates and the Unrefunded Series 2001A Certificates will obtain payment of all or any portion of the Principal Component or Interest Component thereof upon an Event of Default under the Trust Agreement.

Tax Exempt Status

Upon termination of the Master Lease, there is no assurance that payments made by the Trustee with respect to the Series 2010A Certificates and designated as interest will be excludable from gross income for federal income tax purposes. See "TAX EXEMPTION" herein.

Applicability of Securities Laws

In the event of the termination of the Master Lease, the transfer of a 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 2010A Certificates will not be impaired following termination of the Master Lease.

Capital Outlay Millage

The amount which can be realized by the Board derived from the levy of the Capital Outlay Millage (hereinafter described), the Board's primary source of repayment of the Basic Rent represented by the Series 2010A Certificates, can be affected by a variety of factors not within the Board's control including, without limitation, fluctuations in the assessed valuation of the property within the County and the amount of general business activity, growth and new construction which occurs within the County. The revenues derived from the Capital Outlay Millage could be affected adversely by, among other things, a decline in property values brought on by market, catastrophic or other events or crises, litigation or legislation. There can, therefore, be no assurances that such revenues will not decrease in the event that such growth and new construction, for whatever reason, decreases or ceases altogether within the County. See "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS" herein and "APPENDIX A--GENERAL INFORMATION RELATING TO HILLSBOROUGH COUNTY, FLORIDA" attached hereto. The Capital Outlay Millage may also be adversely affected pursuant to changes in applicable law. See " – Recent Legislative and Constitutional Initiatives" below and "AD VALOREM TAXATION – Recent Constitutional and Legislative Amendments Affecting Ad Valorem Taxes" herein, for a description of recent changes in applicable law affecting the levy of the Capital Outlay Millage.

State Revenues

A large portion of the District's funding is derived from State sources. See "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS - State Sources" and "AD VALOREM TAXATION – Recent Constitutional and Legislative Amendments Affecting Ad Valorem Taxes" herein. A significantly large percentage of such state revenue is generated from the levy of a State sales tax. The amount budgeted for distribution from the State to the District is subject to change in the event that projected revenues are not realized. The State has experienced significant shortfalls in sales tax revenues in recent years, which have resulted in significant state budget cuts including reductions in school budgets.

Additional Lease Schedules

The Board may enter into other Lease Schedules in addition to Amended and Restated 1996 Lease Schedule, Third Amended and Restated Lease Schedule No. 1998, Second Amended and Restated Lease Schedule No. 1999, Lease Schedule 2000-QZAB, Amended and Restated Lease Schedule No. 2000, Amended and Restated Lease Schedule No. 2001B, Lease Schedule No. 2001-QZAB, Lease Schedule No. 2002, Lease Schedule No. 2003B, Lease Schedule No. 2004B, Lease Schedule No. 2004-QZAB, Lease Schedule No. 2004C, Lease Schedule No. 2005-QZAB, Lease Schedule No. 2006A and Lease Schedule No. 2007. 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 Second Amended and Restated Lease Schedule No. 1999. Upon any such termination of all Lease Schedules, the Board must surrender all

Projects (other than Designated Equipment), including the Series 1999 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 2010A 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 1999 Project on a pro rata basis with the owners of the Unrefunded Series 2001A Certificates. In no event will Series 2010A 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 1999 Project will produce sufficient amounts to pay the Series 2010A Certificates and the Unrefunded Series 2001A Certificates.

Additional Indebtedness

The 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 2010A Certificates. Incurring such additional indebtedness may adversely affect the Board's ability to make Lease Payments under the Master Lease.

Recent Legislative and Constitutional Initiatives

During recent years, many legislative and constitutional proposals have been introduced that could affect District funding sources to the extent passed. See "AD VALOREM TAXATION – Recent Constitutional and Legislative Amendments Affecting Ad Valorem Taxes" for a description of recent initiatives that have been proposed. The Board is unable to predict what proposals, and their effect on Board finances, may be introduced during the time the Series 2010A Certificates are Outstanding.

Legislation is being considered during the present 2010 regular Legislative session that would require that a question be placed on the ballot that, if approved by voters, would revise the Class Size Legislation such that the class size limitations would be calculated on an average basis within each school instead of limiting the size of each class as presently required. The legislation would continue to require that payment of the costs associated with meeting the requirements is the responsibility of the state and not of local school districts. The District is unable to predict whether this legislation will be adopted and whether voters would approve such legislation if adopted or its ultimate effect on Board finances.

No Reserve Account

No reserve account has been established for the Series 2010A Certificates.

Budget Constraints

As discussed under "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS," the District receives a substantial portion of its operational and capital revenues from State sources. In recent years, the revenues from State sources have declined. The State Legislature has been

reluctant to create new sources of revenues through the levy of new taxes or the elimination of certain exemptions from the payment of sales taxes, the primary source of State revenues.

Property and Casualty Insurance

Many governmental entities including school districts in the State of Florida are facing substantial increases in property and casualty insurance premiums for insurance policies which include substantial increases in deductibles and limitations on coverage. No assurances can be given that property and casualty insurance coverage may be obtained which will insure for the full replacement value of the Board's facilities including the facilities leased under its Lease Agreement Program. The Board is currently unable to insure such full replacement value.

The Board has covenanted in the Lease Agreement, subject to the requirements of State law, to procure and maintain insurance against loss or damage to any part of the Projects by fire or lightning, with extended coverage and vandalism and malicious mischief insurance. Such extended coverage insurance will, as nearly as practicable, also cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance. The Lease Agreement requires that such insurance be in an amount equal to the lesser of (i) one hundred percent (100%) of the replacement cost of the Projects, (ii) the Principal Component of the Basic Rent Payments then remaining unpaid, (iii) the amount of \$75,000,000 per occurrence or, (iv) such lesser amount as is available at commercially reasonable costs, as set forth in a Certificate of an Insurance Consultant filed with the Board and the Trustee. Such insurance may be subject to deductible clauses not to exceed \$250,000 in the aggregate for any one loss or, in the case of windstorm damage, two percent (2%) of the replacement cost.

THE MASTER LEASED PROJECTS

The Series 1999 Project will be refinanced under the Board's existing Master Lease Purchase Program (the "Master Lease Program") with the Corporation pursuant to the Master Lease. The Projects financed by the Board under the Master Lease Program are subject to annual appropriation on an all or none basis. The District has 51 schools and 38 additions to schools subject to the Master Lease Program. Based on the District's full time equivalent enrollment as of March 12, 2010 of approximately 190,786 students, approximately 33% of the District's students will attend classes in facilities leased under the Master Lease upon their completion (see "RISK FACTORS" herein for a description of risks related to class size and enrollment). Under certain conditions set forth in the Master Lease, the Board may substitute or add components to any of the Prior Projects and the Series 1999 Project and modify the Plans and Specifications thereof. For a complete description of the facilities see "THE REFINANCED PROJECT" and "THE PRIOR PROJECTS" herein. To calculate the above percentage, the number of students attending each facility was calculated as follows: for schools that are built and operating, the actual number of students enrolled on December 24, 2009 was used; for the additions, the number of student stations attributable to each specific classroom for the fiscal year ending June 30, 2009 based on the type of school (elementary, middle or high) was used; for the schools where construction is not yet complete, the number of student stations approved for such schools was used. Such attendance levels may change at any time based on an

increase or reduction in actual enrollment or further State of Florida legislative or constitutional requirements. See "RISK FACTORS" above for a further description of the current Florida Constitutional requirements related to class size and for other risks related to school enrollment and attendance.

Pursuant to the Master Lease, the Board does not have the ability to appropriate Basic Rent for payment of one Project or some combination of Projects only. The Board's annual appropriation for Lease Payments must be for all Projects under the Master Lease Program or it must terminate all Projects under the Master Lease Program. In the event the Board decides not to appropriate funds in its annual budget for all of such financed Projects, the Board would, at the Trustee's option, have to surrender such Projects (except for Designated Equipment), including the Series 1999 Project, to the Trustee for the benefit of the Owners of the Certificates which financed or refinanced such Projects.

THE REFINANCED PROJECT

The Series 1999 Project to be partially refinanced with proceeds of the Series 2010A Certificates consists of the acquisition, construction and/or installation of certain educational facilities located in the District.

The following educational facilities comprise the principal components of the Series 1999 Project:

Middleton High School	Sheehy Elementary School
Freedom High School and land for site	Newsome Athletic Facility*
Liberty Middle School and land for site	Spoto High School Athletic Facility*
Mulrennan Middle School	

Under certain conditions set forth in the Master Lease, the Board may substitute or add components to the Series 1999 Project and modify the Plans and Specifications thereof. The Series 1999 Project was approved by the Board in connection with the Board's Capital Improvement Program and construction on all educational facilities comprising the Series 1999 Project were completed during 2002 through 2006.

Designated Equipment

The Series 1999 Project includes Designated Equipment which consists of equipment components not constituting fixtures of the educational facilities described above. The Holders of the Series 2010A Certificates will not be granted any interest in Designated Equipment. For the Series 1999 Project, Designated Equipment consists of all equipment components not constituting fixtures of the educational facilities described under the heading above and the facilities designated with an asterisk (*). Approximately 15% of the Series 1999 Project constitutes Designated Equipment.

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 Board may substitute components of the respective Projects and modify the plans and specifications therefor. All components designated with an asterisk (*) constitute Designated Equipment.

Series 1994 Project

The following educational facilities comprise the principal components of the Series 1994 Project:

Benito Middle School	Durant High School
Walker Middle School	Blake High School
Burnett Middle School	Plant City High School Addition
Sickles High School	Carrollwood Elementary School Addition
Wharton High School	

Series 1995 Project

The following educational facilities comprise the principal components of the Series 1995 Project:

Witter Elementary School	Crestwood Elementary School
Sulphur Springs Elementary	Gibson Elementary School
Clark Elementary School	Williams Middle School
Pizzo Elementary School*	Portable Classrooms*
Valrico Elementary School	Tomlin Middle School Addition
Twin Lakes Elementary School	Sulphur Springs Elementary School Addition

Series 1996 Project

The following educational facilities comprise the principal components of the Series 1996 Project:

Westchase Elementary School	Rodgers Middle School
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Series 1998 Project

The following educational facilities comprise the principal components of the Series 1998 Project:

Springhead Elementary School	Middleton High School (land for site only)
Wilson Elementary School	Westchase Middle School
Media Centers at 13 elementary schools	Baycrest Elementary School

Media Centers and Classrooms at 10 elementary schools	Woodbridge Elementary School
Completion of Series 1995 Project	Completion of Blake High School
Riverview High School	Franklin Middle School
Durant High School Classrooms	Alonso High School Athletic Facility
Freedom High School Athletic Facility	

Series 2000 Project

The following educational facilities comprise the principal components of the Series 2000 Project:

Farnell Middle School "MM"	Cimino Elementary School
Lewis Elementary School addition	Claywell Elementary School addition
Essrig Elementary School addition	Mabry Elementary School addition
Morgan Woods Elem. School addition	Riverview Elementary School addition
Ferrell Middle School addition	Dover ESE addition
Gorrie Elementary School Addition*	Lopez ESE addition
West Tampa Elementary School addition	Westshore Elementary School addition*
Ferrell Middle School Additions*	

Series 2000-QZAB Project*

The Series 2000-QZAB Project consists of the complete renovation of the D.W. Waters Training Center to provide a High School Vocational Educational Program, as well as office space for the Jefferson High & Hillsborough High Museum, ROTC programs and Florida Diagnostic and Learning Resource System program and renovations to Cahoon Elementary School. All of the components of the Series 2000-QZAB Project constitute Designated Equipment for purposes of the Master Lease.

Series 2001B Project

The following educational facilities comprise the principal components of the Series 2001B Project:

Jennings Middle School	Ippolito Elementary School
East County Career Center	Grady Elementary School
Broward Elementary School Classrooms	Heritage Elementary School
Nelson Elementary School	Sessums Elementary School
ESE/East County Career Center	Kingswood Elementary School Classrooms
MacFarlane Center Food Service/Media Center	Sligh Middle School Gymnasium

Series 2001-QZAB Project*

The Series 2001-QZAB Project consists of renovations of Van Buren Middle School Academy and Cahoon Elementary School Academy. All of the components of the Series 2001-QZAB Project constitute Designated Equipment for purposes of the Master Lease.

Series 2002 Project

The following educational facilities comprise the principal components of the Series 2002 Project:

Corr Elementary School	Just Early Childhood Center
Turner Elementary School	Stewart Middle School (Classroom additions)
Bartels Middle School	Woodbridge Elementary School (Classroom additions)
Collins Elementary School	Smith Middle School Completion*
Middleton High School Athletic Facility*	
Hammond Elementary School	

Series 2003B Project

The following educational facilities comprise the principal components of the Series 2003B Project:

High School "PPP"	Elementary School "Z"
Fishhawk Elementary School	Rampello Downtown Partnership School
Knights Elementary School Classroom Additions	

Series 2004B Project

The following educational facilities comprise the principal components of the Series 2004B Project:

Earl J. Lennard High School	Inez Doby Elementary School
New parking facility serving Rampello	Ruskin Elementary School Additions*
Downtown Partnership School	

Series 2004-QZAB Project*

The Series 2004-QZAB Project consists of the complete renovation of Just Elementary School, Cleveland Elementary School, Foster Elementary School and Desoto Elementary School. All of the components of the Series 2004-QZAB Project constitute Designated Equipment for purposes of the Master Lease.

Series 2004C Project

The following educational facilities comprise the principal components of the Series 2004C Project:

Steinbrenner High School	Armwood High School Renovations and Remodeling*
Earl J. Lennard High School "RRR" Athletic Facility*	Deer Park Elementary School
Nancy Bartels Middle School "OO"	Gary Adult School
Summerfield Crossing Elementary School "H"	Elementary School "L"
	Oak Park Elementary School "G"

Series 2005-QZAB Project*

The Series 2005-QZAB Project consist of certain renovations to Wimauma Elementary School. All the components with the Series 2005-QZAB Project constitute Designated Equipment for purposes of the Master Lease.

Series 2006A Project

The following educational facilities comprise the principal components of the Series 2006A Project:

Steinbrenner High School	Barrington Middle School
Smith Middle School	Reddick Elementary School

Series 2007 Project

The following educational facilities comprise the principal components of the Series 2007 Project:

Strawberry Crest High School	Completion of Barrington Middle School
Completion of Steinbrenner High School	
Completion of Smith Middle School	Completion of Reddick Elementary School

Designated Equipment

Each of the Projects includes Designated Equipment which consists of equipment components not constituting fixtures of the educational facilities described above and the facilities designated with an asterisk (*). Upon the occurrence of an Event of Non-Appropriation or an Event of Default, neither the holders of the Series 2010A Certificates nor the holders of the Prior Certificates will have rights to the Series 1999 Project Components or the components of the Prior Projects, respectively, constituting Designated Equipment.

THE MASTER LEASE PROGRAM

The Ground Lease

The Board, as Ground Lessor, granted to the Corporation, as Ground Lessee, a leasehold estate in the Series 1999 Project and the real estate on which such Series 1999 Project is located (the "Series 1999 Projects Land") pursuant to the Ground Lease Agreement dated as of October 1, 2009, as amended by the First Amendment to Ground Lease Agreement dated as of April 1, 2010 (collectively, the "Series 1999 Ground Lease"). The initial term of the Series 1999 Ground Lease ends on the earlier of (a) the date on which the Series 2010A Certificates and the Unrefunded Series 2001A Certificates (and any Series of Certificates refunding such Certificates) have been paid in full, or (b) June 30, 2030 (both dates inclusive). So long as no Event of Default or Event of Non-Appropriation under the Series 1999 Lease Agreement has occurred, the Series 1999 Projects Land shall be used by the Board with respect to the Series 1999 Project. The leasehold interest in the Series 1999 Project and Series 1999 Project Land granted to the Corporation by the Board shall remain vested in the Corporation until the earlier of (A) the date the Series 2010A Certificates and the Unrefunded Series 2001A Certificates (and any Series of Certificates refunding such Certificates) no longer remain outstanding, or (B) the end of the Series 1999 Ground Lease Term. Upon termination of the Master Lease, the rental of the Series 1999 Project Land shall be increased to fair market value in accordance with the terms of the Series 1999 Ground Lease. The payment of such increased rent is subordinate to the obligation to pay the Principal Component and the Interest Component of the Series 2010A Certificates.

The foregoing does not attempt to completely summarize the provisions of the Ground Lease. See "APPENDIX G – FORM OF GROUND LEASE" attached hereto for more information regarding the Ground Lease.

The Master Lease and the Series 1999 Lease Agreement

The Master Lease provides for the lease-purchase financing by the Board from time to time of various real and/or personal property projects ("Projects"), including the Series 1994 Project, the Series 1995 Project, the Series 1996 Project, the Series 1998 Project, the Series 1999 Project, the Series 2000-QZAB Project, the Series 2000 Project, the Series 2001B Project, the Series 2001-QZAB Project, the Series 2002 Project, the Series 2003B Project, the Series 2004B Project, the Series 2004-QZAB Project, the Series 2004C Project, the Series 2005-QZAB Project, the Series 2006A Project and the Series 2007 Project, that are described in various Lease Schedules to the Master Lease. The Master Lease provides the terms and conditions governing the lease of Projects, and the framework under which the Board is obligated to pay rent ("Basic Rent") to the Corporation for the particular Project described on a particular Lease Schedule. Lease Payments consist of Basic Rent, the principal and interest components of which are set forth in each Lease Schedule, and Supplemental Rent set forth on each such Lease Schedule, consisting of Trustee, Credit Enhancer, if any, and Corporation fees and expenses, prepayment premiums and other financing expenses, and all other amounts owing under the Master Lease. Each Lease Schedule describes the particular Project to be lease-purchased

by the Board and the details governing the particular lease transaction, including the obligation to pay Basic Rent for such Project and to pay Supplemental Rent.

Under the Trust Agreement, one or more Series of Certificates may be issued to obtain funds to be used to pay the costs of acquisition, construction and installation of Projects. The proceeds of sale of the Certificates of each Series is deposited with the Trustee and is requisitioned by the Board, acting as agent for the Corporation, to pay the costs of one or more related Projects. The Corporation has assigned its rights under the Master Lease, including its right to receive Basic Rent Payments from the Board under all Lease Schedules, other than its right to indemnification, its right to enter into additional Lease Schedules and its obligation not to impair the tax status of the Certificates, to the Trustee for the benefit of owners of the Certificates of all Series in order to secure such Certificates; provided, however, that once monies are deposited into a specific subaccount under the Trust Agreement for payment of a particular Series of Certificates, the Certificates of other Series are not collateralized by such monies. Failure to appropriate any Basic Rent results in an Event of Non-Appropriation with respect to all Basic Rent set forth on all Lease Schedules to the Master Lease, and a default with respect to any obligation under the Master Lease or any Lease Schedule results in an Event of Default with respect to the entire Master Lease and all Lease Schedules thereto. See "SECURITY FOR THE SERIES 2010A CERTIFICATES" herein.

The Principal Component of the Basic Rent Payments under the Series 1999 Lease Agreement represented by the Series 2010A Certificates is payable in accordance with the debt service schedule set forth herein, subject to prepayment as provided herein.

The foregoing does not attempt to completely summarize the provisions of the Master Lease. See "APPENDIX E – FORM OF MASTER LEASE AND THE SERIES 1999 LEASE AGREEMENT" attached hereto.

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ESTIMATED SOURCES AND USES OF FUNDS

The proceeds to be received from the sale of the Series 2010A Certificates are expected to be applied as follows:

Sources of Funds:

Par Amount of Series 2010A Certificates	\$97,545,000.00
Net Original Issue Premium	3,233,831.10
Other Legally Available Funds of the District	<u>1,522,900.00</u>
TOTAL SOURCES	\$102,301,731.10

Uses of Funds:

Deposit to Escrow Fund	\$101,448,630.00
Costs of Issuance ⁽¹⁾	<u>853,101.10</u>
TOTAL USES	\$102,301,731.10

- ⁽¹⁾ Includes, without limitation, legal, accounting and financial advisory fees, printing costs, Underwriters' discount and other costs associated with the issuance of the Series 2010A Certificates.

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COMBINED CERTIFICATE PAYMENT SCHEDULE FOR CERTIFICATES

Payment requirements of the Certificates (excluding the Series 2004B Certificates⁽¹⁾) are as follows⁽²⁾:

Maturity as of <u>July 1</u>	Series 1998A	Series 2000	Unrefunded	Series	Series 2001	Series	Series	Series	Series 2004	Series
	<u>Certificates⁽³⁾</u>	<u>QZAB</u>	<u>Certificates⁽⁴⁾</u>	<u>2001A</u>	<u>2001B</u>	<u>QZAB</u>	<u>2002</u>	<u>2003B</u>	<u>Series 2004A</u>	<u>2004C</u>
2010	\$13,831,475	\$885,000	\$4,663,979	\$1,774,670	\$517,210	\$2,877,200	\$3,603,250	\$1,433,513	\$270,948	\$4,210,718
2011	17,039,500	889,000	-	1,769,580	517,210	2,877,200	3,603,250	1,433,513	270,948	4,171,981
2012	14,414,025	889,000	-	-	517,210	2,877,200	3,603,250	1,433,513	270,948	4,138,481
2013	15,964,700	-	-	-	517,210	2,877,200	3,603,250	1,433,513	270,948	4,190,155
2014	15,512,675	-	-	-	517,210	2,877,200	3,603,250	1,433,513	270,948	4,151,991
2015	14,566,625	-	-	-	517,210	2,877,200	3,603,250	1,433,513	270,948	4,184,475
2016	2,532,950	-	-	-	517,210	2,877,200	3,603,250	14,733,513	270,948	4,544,076
2017	1,067,150	-	-	-	-	3,392,200	3,603,250	14,740,263	270,948	4,449,576
2018	16,827,250	-	-	-	-	3,391,600	3,603,250	-	270,948	4,144,135
2019	-	-	-	-	-	3,394,665	3,603,250	-	270,948	4,144,061
2020	-	-	-	-	-	3,396,145	3,603,250	-	270,948	4,121,673
2021	-	-	-	-	-	3,395,990	3,603,250	-	-	4,410,412
2022	-	-	-	-	-	3,394,150	3,603,250	-	-	4,398,052
2023	-	-	-	-	-	3,395,575	3,603,250	-	-	4,355,026
2024	-	-	-	-	-	3,395,650	3,603,250	-	-	4,390,200
2025	-	-	-	-	-	3,394,375	3,603,250	-	-	4,359,923
2026	-	-	-	-	-	3,396,750	3,603,250	-	-	4,388,667
2027	-	-	-	-	-	17,397,550	30,483,250	-	-	4,410,249
2028	-	-	-	-	-	44,281,775	3,599,250	-	-	4,356,674
2029	-	-	-	-	-	-	46,037,250	-	-	6,216,978
2030	-	-	-	-	-	-	-	-	-	52,288,072
2031	-	-	-	-	-	-	-	-	-	-
Total	\$111,756,350	\$2,663,000	\$4,663,979	\$3,544,250	\$3,620,470	\$115,766,825	\$141,375,000	\$38,074,854	\$2,980,428	\$140,025,575

(1) The Series 2004B Certificates are expected to be paid from a portion of the Board's Sales Tax Revenues (as defined herein) and payment requirements thereof have been omitted from this schedule, provided, however, that this is subject in all respects to the prior lien on Sales Tax Revenues that the holders of the presently outstanding or hereinafter issued Sales Tax Revenue Bonds have.

(2) Numbers may not add due to rounding. Chart continues on next page.

(3) As calculated by the Financial Advisor assuming a true interest cost of 3.824% on the Series 2004C Certificates. Actual rates may vary depending on future market conditions.

(4) Debt service on the Unrefunded Series 2001A Certificates only. See "PLAN OF REFINANCE" herein.

Source: The School Board of Hillsborough County

[Table continues on following page]

COMBINED CERTIFICATE PAYMENT SCHEDULE

(continued from prior page)

Maturity as of July 1	Series 2005A Certificates	Series 2005 QZAB Certificates	Series 2006A Certificates	Series 2006B Certificates	Series 2007 Certificates	Series 2008 Certificates ⁽⁵⁾	Series 2010A		Total Annual Amount	Combined Annual Certificates
							Principal Amount	Interest Amount		
2010	\$2,834,109	\$146,612	\$5,552,353	\$6,919,233	\$5,799,486	\$6,021,009	-	\$918,476	\$918,476	\$62,259,241
2011	2,829,459	146,612	5,551,553	3,710,723	5,796,886	6,056,009	\$2,255,000	4,350,675	6,605,675	63,269,099
2012	2,828,521	146,612	5,578,478	8,106,643	5,800,886	6,060,355	2,320,000	4,283,025	6,603,025	63,268,147
2013	2,835,234	146,612	5,546,978	7,443,643	5,796,086	6,056,898	2,390,000	4,213,425	6,603,425	63,285,852
2014	2,830,034	146,612	5,578,790	7,893,511	5,800,799	6,059,706	2,510,000	4,093,925	6,603,925	63,280,164
2015	2,828,394	146,612	5,616,478	8,842,735	5,798,399	6,057,240	2,630,000	3,972,425	6,602,425	63,345,504
2016	2,834,706	146,612	5,683,878	7,237,048	5,796,999	6,061,037	2,745,000	3,855,525	6,600,525	63,439,952
2017	2,829,706	146,612	5,684,878	8,699,235	5,796,399	6,057,034	2,835,000	3,773,175	6,608,175	63,345,426
2018	2,826,706	146,612	5,671,878	8,057,954	5,801,399	6,054,293	2,970,000	3,631,425	6,601,425	63,397,450
2019	2,827,506	146,612	5,670,278	5,210,904	5,801,599	25,726,553	3,090,000	3,512,625	6,602,625	63,399,001
2020	2,831,906	146,612	5,674,478	5,211,904	5,793,105	25,676,563	3,245,000	3,358,125	6,603,125	63,329,709
2021	2,824,706	146,612	5,690,471	5,209,229	5,799,661	25,618,056	3,410,000	3,195,875	6,605,875	63,304,262
2022	2,830,106	-	5,829,205	5,207,229	5,801,099	25,566,393	3,545,000	3,059,475	6,604,475	63,233,959
2023	2,827,394	-	5,819,955	5,214,198	5,793,599	25,506,980	3,685,000	2,917,675	6,602,675	63,118,652
2024	2,827,981	-	5,833,655	5,213,198	5,801,744	-	29,265,000	2,769,900	32,034,900	63,100,578
2025	2,831,656	-	5,838,775	5,213,188	5,795,994	-	30,650,000	1,379,475	32,029,475	63,066,636
2026	35,596,781	-	5,828,525	4,983,725	5,796,994	-	-	-	-	63,594,692
2027	-	-	5,719,275	-	5,597,013	-	-	-	-	63,607,337
2028	-	-	5,715,525	-	5,597,763	-	-	-	-	63,550,987
2029	-	-	5,726,775	-	5,600,675	-	-	-	-	63,581,678
2030	-	-	5,711,775	-	5,598,375	-	-	-	-	63,598,222
2031	-	-	17,351,275	-	10,315,625	-	-	-	-	27,666,900
Total	\$80,874,905	\$1,759,344	\$136,875,231	\$108,374,300	\$131,280,585	\$182,578,126	\$97,545,000	\$53,285,226	\$150,830,226	\$1,357,043,448

(5) Assumes the Series 2008 Certificates have a true interest cost of 5.49%, inclusive of credit, liquidity, and remarketing fees.

THE CORPORATION

The Hillsborough School Board Leasing Corporation is a Florida not-for-profit corporation formed for the purpose of acting as lessor in connection with "lease-purchase" capital financings for the Board. The Corporation may in the future initiate additional Lease Schedules under the Master Lease, enter into other lease-purchase agreements with the 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 Board. The members of the Corporation are the members of the Board. The Chair of the Board serves as Chair of the Board of Directors and President of the Corporation; the Vice Chair of the Board serves as Vice Chair of the Board of Directors and Vice President of the Corporation; and the Superintendent of the Board serves as ex-officio Secretary/Treasurer of the Corporation. The financing of the Series 1994 Project constituted the initial activity of the Corporation. There is no litigation 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 Board, its right, title and interest in and to the Ground Lease, and its right to use, sell and relet Projects, to the Trustee. The Trustee directly collects from the Board all of the Basic Rent Payments which are the source of and security for payment of the Series 2010A 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 Board or the Corporation.

SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA

The 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 Hillsborough County, Florida (the "District"). The geographic boundaries of the District are coterminous with those of the County. The District operated 246 schools with 190,786 students (FTE) as of March 12, 2010 and, as of March 1, 2010, had approximately 25,196 permanent employees, of which 15,204 were instructional. Management of the schools within the District is independent of the County and any city governments. The 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 Hillsborough County Property Appraiser. The Hillsborough County Tax Collector collects taxes for the Board, but exercises no control over expenditures by the Board.

The Organization and Powers of the Board

The Board is a body corporate existing under the laws of the State of Florida. The Board is the governing body of the District, consisting of members elected by districts for four year terms. Under existing law, the 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; the 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/from school or school-related activities.

The 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 Board and the expiration of their respective terms are as follows:

<u>Name</u>	<u>District</u>	<u>Term Expires</u>
Susan L. Valdes, Chair	Board District No. 1	November, 2012
Doretha W. Edgecomb, Vice Chair	Board District No. 5	November, 2012
Jennifer Faliero, Member	Board District No. 4	November, 2010
April Griffin, Member	Board District No. 6*	November, 2010
Carol W. Kurdell, Member	Board District No. 7*	November, 2012
Jack R. Lamb, Member	Board District No. 3	November, 2012
Candy Olson, Member	Board District No. 2	November, 2010

*At large districts.

Superintendent of Schools

The Superintendent of Schools is appointed by the Board and serves as ex-officio Secretary of the Board. The Superintendent's powers include, but are not limited to, keeping the records of the Board, acting as custodian for District property, preparing long-term and annual school programs, directing the work of District personnel, making policy recommendations to the Board in the area of child welfare, public transportation, school plant and District finance, and performing the additional duties assigned to him by law and the regulations of the State Department of Education. The Superintendent is appointed by the Board for one year terms. Her present term expires June 30, 2010.

Administration

Ms. MaryEllen Elia, Superintendent, has been Superintendent of the District since July 1, 2005. Ms. Elia received her B.A. degree from Daeman College and her M.Ed. degree from the University of Buffalo. In 1983, she added a Masters of Professional Studies degree in Reading from State University of New York at Buffalo, and received certification in Educational Leadership in 1989.

Ms. Elia worked as a social studies teacher in the state of New York from September 1970 through June 1986. In August 1986, she was employed by the School District of Hillsborough County in Tampa, Florida as a reading resource specialist at Plant High School. She served as the county's secondary reading supervisor from 1989 through 1991. With the advent of magnet schools in 1991, Ms. Elia became the county's first magnet school supervisor. From January 1997 through

September 2002, she served as Director of Non-Traditional Programs which included magnet schools as well the ESOL program, alternative schools and dropout prevention programs.

On September 4, 2002, Ms. Elia was appointed to the General Director of Secondary Education, and on June 3, 2003, she was appointed the Hillsborough County School District's Chief Facilities Officer where she was responsible for all new construction for over 200 schools/educational facilities and district maintenance and custodial operations. Ms. Elia began her tenure as Superintendent of Schools on July 1, 2005.

Ms. Gretchen Saunders, Chief Business Officer, has been Chief Business Officer for the District since January 1, 2005. In this capacity, Ms. Saunders is responsible for the management of 10 departments containing 130 employees. Departments under her control include Budget, Payroll, Debt Management, Cash Management, and Purchasing. Ms. Saunders oversees a total budget of more than \$3 billion and a debt portfolio of nearly \$1.2 billion. Debt instruments under Ms. Saunders control include Certificates of Participation, Sales Tax Revenue Bonds, and Qualified Zone Academy Bonds. In managing the District's debt program, Ms. Saunders has employed the use of both fixed and variable debt, long-dated swaps and swaptions, and medium term swaps. Prior to her appointment as Chief Business Officer, Ms. Saunders served as Manager of Budget and Cash Management for the Board.

Ms. Saunders holds a B.S. in Business from Ferris State University and an M.S. in Public Administration from Central Michigan University. She is a past president of the Florida School Finance Officers Association and was elected a member of the Florida School Finance Council in June, 2004. The School Finance Council is a senior policy advisory board that assists the Florida Commissioner of Education. Its limited membership is by invitation only.

Academics

As of January 1, 2010, the District operates 141 elementary schools comprised of students in kindergarten through fifth grade. Students in the sixth, seventh and eighth grades comprise the District's 44 middle schools. The District operates two K-8 schools. The District operates 27 high schools which include ninth through twelfth grades as well as the vocational programs. In addition, there are five alternative educational schools, 18 Special School Centers and nine adult centers conducted at the various locations within 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 secondary school program begins with middle school curriculum centering on English, math, science, computer literacy, and social studies. Students are encouraged to begin developing their strengths and interests through electives such as art, music, foreign languages, and vocational exploratory programs.

High school programs are designed to meet the needs of the college bound as well as vocational students. All of the high schools are fully accredited by the Southern Association of

Colleges and Schools. Students who plan to continue their education into college may take a broad range of college preparatory courses as well as advanced placement and honors courses.

In addition to the above programs, the District currently operates 29 "magnet programs." Magnet programs operate at the elementary, middle and high school levels, offering unique opportunities and challenges for students. These magnet schools offer specialized programs including: Academy of Health Professionals, Academy of Engineering, Visual/Performing/Communication Arts, Environmental Studies, International Studies Preparatory Academy/High Technology Program and the International Baccalaureate Program. Applications for each program are distributed annually through the District in December.

Historical Growth

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

Summary of Statistical Data Ten Year History

<u>School Year</u>	<u>Number of Schools</u>	<u>Number of Instructors</u>	<u>F.T.E.⁽¹⁾ Enrollment</u>	<u>Average Expenditure per F.T.E. Student ⁽²⁾</u>
2008/09	242	15,376	189,938	\$8,794.45
2007/08	242	15,229	190,639	8,581.61
2006/07	231	15,118	190,595	8,017.12
2005/06	224	14,517	190,523	7,309.31
2004/05	221	14,351	187,239	7,150.13
2003/04	218	12,866	179,933	7,044.97
2002/03	197	12,340	172,039	6,991.26
2001/02	193	11,172	165,241	6,745.42
2000/01	188	11,604	159,533	6,739.16
1999/00	183	11,457	160,624	6,232.96

(1) Full-time equivalent enrollment.

(2) Expenditures include General Fund and Special Revenue Fund only. Such amounts have not been adjusted for inflation.

Source: School Board of Hillsborough County, Florida

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Growth Projections for F.T.E.

The Board has estimated the following Full Time Equivalent (F.T.E.) Enrollment for School Years 2008/09 through 2009/10:

<u>School Year</u>	<u>F.T.E. Enrollment</u>
2009/10 ⁽¹⁾	190,780
2010/11 ⁽²⁾	191,484
2011/12 ⁽³⁾	194,786
2012/13 ⁽³⁾	197,923

⁽¹⁾ Actual F.T.E. Enrollment as of March 12, 2010 was 190,786.

⁽²⁾ District Projections using the Florida Department of Education FTE Forecast System.

⁽³⁾ State Projections

Source: School District of Hillsborough County, Florida.

School District of Hillsborough County, Florida

Profile of Enrollments

Full-Time Equivalent Students⁽¹⁾

2006-2010

	<u>2009/10⁽²⁾</u>	<u>2008/09</u>	<u>2007/08</u>	<u>2006/07</u>	<u>2005/06</u>
Pre-K/Kindergarten	13,328	12,793	13,050	13,378	13,388
Grades 1-3	35,958	36,887	37,681	37,505	37,085
Grades 4-8	57,883	57,825	57,914	57,818	57,563
Grades 9-12	40,654	39,856	39,406	38,504	37,766
Exceptional Ed.	36,796	36,168	35,816	36,414	36,907
Vocational Ed.	<u>6,166</u>	<u>6,409</u>	<u>6,772</u>	<u>6,976</u>	<u>7,814</u>
Total	190,786	189,938	190,639	190,595	190,523

(1) Enrollments are calculated on a full-time equivalent defined as 900 hours of instruction time.

(2) As of March 12, 2010.

Source: School District of Hillsborough County, Florida.

Employee Relations and Retirement Program

As of March 1, 2010, the Board had 25,196 permanent employees. A portion of these employees are represented by the following groups:

Teachers	Hillsborough Classroom Teachers Association
Paraprofessionals	Hillsborough Classroom Teachers Association
Clerical and Bus Attendants	Hillsborough Classroom Teachers Association
Custodial, Maintenance and Mechanics	Hillsborough Schools Employee Federation
Bus Drivers	Hillsborough Schools Employee Federation

Union members include both instructional and non-instructional personnel. Current union contracts expire as follows:

Teachers	June 30, 2010
Paraprofessionals	June 30, 2012
Clerical	June 30, 2012
Custodial, Maintenance and Mechanics	June 30, 2011
Bus Drivers	June 30, 2011
Bus Attendants	June 30, 2012

The Board does not administer a separate retirement plan for its officers and employees. However, pursuant to law, all full-time employees are, with minor exceptions, members of defined retirement plans of the State administered by its Department of Administration, Division of Retirement. The retirement plans of the State consist of contributory and non-contributory benefit plans. The plans provide for retirement, death, and disability benefits and require contributions by employees and/or participating agencies as stated percentages of compensation set by law as determined from time to time by the State Legislature. The combined contributions to the plans for the fiscal year ended June 30, 2009 totaled \$98,481,287. The plans accounting and funding policies, actuarial present value of accumulated plan benefits, net assets available for benefits, and other plan related matters are the responsibility of the State Department of Administration, Division of Retirement, and are not computed on an individual agency basis. See "PENSION AND OTHER POST EMPLOYMENT BENEFIT PLANS" herein.

Charter District Pilot Program

The Board is participating in a pilot program authorized by Chapter 1013, Florida Statutes, to establish the District as a charter school district. The intent of the pilot program is to examine new relationships between the State Board of Education (the "SBE") and school districts that may produce significant improvements in student achievement and school management, while complying with constitutional requirements. While it is a goal of the pilot program to eliminate or reduce the work required to comply with burdensome laws and regulations, to foster operating efficiencies, thus accelerating student educational process, the District's participation in the pilot program will not reduce any financial resources it would otherwise lawfully receive. The District was one of four school districts included in the pilot program. The District submitted its charter district proposal and a management plan that was accepted by the SBE and the parties entered into a charter school district contract that was effective June 1, 2003. The initial pilot program was annually renewable. The District's contract has been extended and currently will expire on June 30, 2010. Upon expiration of the contract the District's performance will be evaluated. As a charter school district, the District is exempt from a number of state statutes and SBE regulatory rules. As part of the management plan submitted by the District, the District was granted exemption from a number of laws and rules including: eliminating the requirement that categorical program funds be spent strictly on those programs; exempting the Board from the requirement of 135 hours of class time per high school credit; exempting the Board from the current rules for determining student performance; exempting the Board from the requirements related to from which vendor the Board must acquire its instructional materials; exempting the Board from the existing certification requirements related to field of study for qualified instructional personnel; exempting the District from the educational plant survey requirements with respect to facilities to be constructed; and

other requirements related to school and student progress management. The Board is required to submit an annual report to the SBE on the implementation of the Board's program. The achievement of the goals under the program are based on student performance in state and national standardized tests administered state-wide, levels of student attendance and suspensions, student, teacher and parental ratings of the program and certain financial performance criteria.

Constitutional Amendments Related to Class Size Reduction and Pre-K Education

In the November 5, 2002 general election, the voters of the State of Florida approved two amendments to the State Constitution that may affect the District's operations. Amendment 9 to the State Constitution requires that the State Legislature provide funding for sufficient classrooms so that class sizes can be reduced to certain constitutionally mandated class size maximums by the beginning of the 2010 school year. Section 1 of Article IX of the State Constitution and Section 1003.03, Florida Statutes are collectively referred to herein as the "Class Size Legislation."

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

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

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

The District currently complies with the constitutional class size maximums for the fiscal year ending June 30, 2010. 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 State Legislature, and not local school districts, is generally responsible for the cost of compliance, it is uncertain what effect implementation might have upon the District. There can be no assurance that the State Legislature will provide funds sufficient to meet the capital and facility needs of the District required by the Class Size Legislation. Further, there can be no assurance that the District will have funds sufficient to meet the capital and facility needs of the District required by the Class Size Legislation or that compliance therewith will not adversely affect

other capital needs and operating costs of the District. See "RISK FACTORS – RECENT LEGISLATIVE AND CONSTITUTIONAL INITIATIVES" herein.

In the November 5, 2002 general election, the voters of the State of Florida also approved Amendment 8 to the State Constitution which provides that every 4-year old child in the State shall be offered a free, high quality pre-kindergarten learning opportunity by the State no later than the 2005 school year. In furtherance thereof, Part V, Chapter 1002, Florida Statutes, created a voluntary universal pre-kindergarten education program for four-year olds. There can be no assurance that the State Legislature will provide funds sufficient to meet the capital and facility needs of the District required by Amendment 8 and Part V, Chapter 1002, Florida Statutes. Further, there can be no assurance that the District will have funds sufficient to meet the capital and facility needs of the District required by Amendment 8 and Part V, Chapter 1002, Florida Statutes or that compliance therewith will not adversely affect other capital needs and operating costs of the District.

Grant from Gates Foundation

In November 2009 the District was awarded a grant from the Bill & Melinda Gates Foundation of \$100,000,000 to increase college-ready graduation rates by increasing the number and distribution of highly effective teachers in schools and classrooms serving low-income and minority students. The grant will be distributed during a seven-year period. In addition, the District must match the \$100,000,000 grant money when it is received and, further, it expects to annually pay approximately \$32 million to sustain the program after the grant ends. A principal component of the program is to use 200 to 300 teachers with a proven track record of high-achieving students to mentor new teachers. The grant would help hire replacement teachers for the mentors who would return to the classroom in two to three years while others serve as mentors.

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 KPMG LLP to audit its financial operations, whose report for the Fiscal Year ended June 30, 2009 is attached hereto as part of "APPENDIX B - AUDITED FINANCIAL STATEMENTS OF THE SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA FOR THE FISCAL YEAR ENDED JUNE 30, 2009" 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 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.

Contracted Services – to account for financial resources of certain federal grant program resources.

Local Capital Improvement – Accounts for and reports on the revenues generated from the local capital outlay property taxes.

Other Debt Service – Accounts for and reports on the payments of principal and interest for outstanding bonds and Certificates of Participation.

Certificates of Participation – Accounts for and reports on the revenues generated from the issuance of Certificates of Participation.

Other Capital Projects Funds – Accounts for and reports on other miscellaneous funds from various sources.

Other Fund Types

Additionally, the District reports the following fund types:

Internal Service Funds – to account for the District's workers' compensation, general and automobile liability self-insurance programs and the employee health insurance program.

Pension Trust Fund – to account for resources used to finance the early retirement program.

Agency Funds – to account for resources held by the District as custodian for others, primarily for the benefit of various schools and their activity funds.

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.

Government-Wide Statements – The government-wide statements are presented using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows have taken place. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements – Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues, other than grant funds, reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Grant funds are considered available if collection is expected in the upcoming fiscal year. Property taxes, sales taxes, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured.

General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to first apply cost reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

Budget Process

State law requires the Board to advertise its intent to adopt a tentative budget, including a capital outlay budget, no later than 24 days after the Hillsborough County Property Appraiser's official certification of taxable property, which usually occurs on or about July 1. The 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 Hillsborough County Property Appraiser prepares tax millage notices for property owners within the District. The final budget and tax rate are fixed on or before September 18th of each year, following a final public hearing. On September 3, 2009, the Board adopted the Budget for the 2009/2010 Fiscal Year.

The Superintendent of Schools is responsible for presenting the preliminary and tentative budgets for recommendation to the Board. Florida law requires the Board to adopt and maintain a balanced budget, in which anticipated revenues less certain required deductions, combined with

beginning fund balances equal appropriations. Generally, the final budget is substantially the same as the tentative budget since the Board's hiring plans and materials purchases have been determined before the tentative budget is adopted.

Auditing System

In addition to local internal audits, other budget reviews are conducted. The State 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 State 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 Board.

General Fund Operations

The Board's general fund revenues are derived from federal and state appropriations and local sources. The following table summarizes the audited results of operations for the general fund for the Fiscal Years ended June 30, 2005 through June 30, 2009.

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School District of Hillsborough County, Florida
Summary of Revenues and Expenses - General Fund
(in thousands)

	Audited Fiscal Years Ending 6/30				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Revenues					
Federal	\$ 1,471	\$ 1,979	\$ 1,872	\$ 2,079	\$ 2,686
Federal through State	5,863	6,148	3,160	9,054	8,464
State Sources	762,503	846,003	923,845	958,706	856,130
Local	367,358	418,708	506,281	525,792	562,794
Non Revenue and Transfers	<u>481</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Total Revenues	\$ 1,137,676	\$ 1,272,838	\$ 1,435,158	\$1,495,631	\$1,430,074
Expenditures					
Current - Education:					
Instruction	\$669,729	\$761,630	\$843,336	\$926,745	\$950,706
Pupil Personnel	45,671	49,991	57,507	62,405	61,684
Instructional Media	20,400	22,937	42,494	44,914	43,933
Instruction & Curriculum Development	17,710	17,030	18,924	21,938	19,616
Instructional Staff Training	3,396	4,704	12,866	19,116	19,750
Board of Education	4,227	1,659	1,166	1,160	1,357
Gen. Administration	7,071	6,776	11,109	10,857	6,352
School Administration	77,042	81,212	85,290	91,181	91,700
Fiscal Services	4,829	6,519	7,042	8,300	6,278
Food Services	381	26	591	544	561
Central Services	22,240	15,941	16,644	17,757	20,241
Pupil Transportation	55,026	59,982	60,341	64,277	65,127
Operation of Plant	84,637	96,747	101,168	106,740	108,825
Maintenance of Plant	27,267	27,404	28,155	29,272	30,024
Community Services	7,438	21,627	27,271	31,270	36,120
Facilities Acquisition and Construction and Capital Outlay	4,888	8,109	10,868	10,870	6,951
Remittance and Transfers to Other Funds	<u>2,940</u>	<u>(3,101)</u>	<u>833</u>	<u>802</u>	<u>991</u>
Total Expenditures & Other Uses	<u>\$1,084,892</u>	<u>\$75,434</u>	<u>\$1,325,605</u>	<u>\$1,448,148</u>	<u>\$1,470,216</u>
Ending Fund Balance					
Designated (1)	54,809	77,173	53,642	43,935	46,436
Undesignated	<u>94,704</u>	<u>147,774</u>	<u>280,858</u>	<u>338,048</u>	<u>295,405</u>
TOTAL ENDING FUND BALANCE	<u>\$ 149,513</u>	<u>\$ 224,947</u>	<u>\$ 334,500</u>	<u>\$381,983</u>	<u>\$341,841</u>

(1) Amounts set aside to meet obligations created by the School district in a prior year.

Sources: Comprehensive Annual Financial Reports, School District of Hillsborough County, Florida, Fiscal Years ended June 30, 2005 through June 30, 2009.

School District of Hillsborough County, Florida
Summary of Revenues and Expenses - Capital Projects Funds
(in thousands)

	Audited Fiscal Years Ending 6/30				
	FY <u>2005</u>	FY <u>2006</u>	FY <u>2007</u>	FY <u>2008</u>	FY <u>2009</u>
Revenue					
State Sources	\$27,717	\$30,391	\$192,350	\$66,635	\$20,545
Local Sources	<u>128,561</u>	<u>148,117</u>	<u>178,195</u>	<u>196,261</u>	<u>168,798</u>
Total Revenues	\$156,278	\$178,508	370,545	\$262,896	\$189,343
Expenditures					
Fixed Capital Outlay:					
Facilities Acquisition & Construction	<u>\$253,383</u>	<u>\$274,606</u>	<u>\$235,563</u>	<u>\$322,541</u>	<u>\$268,030</u>
Total Expenditures	\$253,383	\$274,606	235,563	\$322,541	\$268,030
Excess (Deficiency) Revenues Over Expenditures	(97,105)	(96,698)	134,982	(59,645)	(78,687)
Other Financing Sources (Uses)					
Operating Transfers In (Out)	(52,643)	(56,539)	(58,228)	(66,774)	(64,282)
Nonrevenue Sources	<u>97,712</u>	<u>151,853</u>	<u>85,975</u>	<u>6,526</u>	<u>--</u>
Total Other Financing Sources (Uses)	\$45,069	\$95,314	\$27,747	\$(60,248)	\$(64,282)
Excess (Deficit) of Revenues and Other Sources over Expenditures & Other Uses	(\$52,036)	(\$784)	\$162,729	\$(119,893)	\$(142,969)
Beginning Fund Balance	<u>487,079</u>	<u>435,044</u>	<u>434,260</u>	<u>596,989</u>	<u>477,096</u>
Fund Balance at End of Year	\$435,043	\$434,260	\$596,989	\$477,096	\$334,127

Sources: Comprehensive Annual Financial Reports of the Hillsborough County District School Board for the Fiscal Years ended June 30, 2005 through June 30, 2009.

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**SELECTED FINANCIAL INFORMATION
SCHOOL DISTRICT
OF HILLSBOROUGH COUNTY, FLORIDA
Debt Statement as of June 30, 2009**

DIRECT AND OVERLAPPING DEBT⁽¹⁾	General Obligation <u>Debt</u>	Non-Self Supporting <u>Debt</u>	Self- Supporting <u>Debt</u>
DIRECT DEBT OF DISTRICT			
State of Florida:			
Series 1999-A		\$4,320,000	
Series 2000-A		60,000	
Series 2002-A		1,275,000	
Series 2003-A		2,375,000	
Series 2004-A		2,820,000	
Series 2005-A		995,000	
Series 2005-B		34,355,000	
Series 2006-A		3,300,000	
Series 2008-A		5,030,000	
 District Bonds:			
Sales Tax Revenue Bonds, Series 2002			\$ 21,665,000
Sales Tax Revenue Refunding Bonds, Series 2005			127,140,000
Sales Tax Revenue Refunding Bonds, Series 2006			51,035,000
Sales Tax Revenue Refunding Bonds, Series 2007			47,515,000
Capital Improvement Revenue Bonds, Series 1998			<u>2,205,619</u>
Total Direct Debt		<u>\$54,530,000</u>	<u>\$249,560,619</u>
 OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT			
<u>Board of County Commissioners:</u>			
General Obligation Bonded Debt ⁽²⁾	<u>\$29,000,000</u>		
Total Overlapping Debt	<u>\$29,000,000</u>	<u>\$ 0</u>	<u>\$ 0</u>
 TOTAL DIRECT AND OVERLAPPING DEBT	\$29,000,000	\$54,530,000	\$249,560,619

- (1) Omits Certificates of Participation. See "INTRODUCTION" and "COMBINED CERTIFICATE PAYMENT SCHEDULE FOR CERTIFICATES" herein for a description of outstanding Certificates of Participation.
- (2) Constitutes total county-wide debt payable from ad valorem tax revenues. No other governmental entity in Hillsborough County has General Obligation Debt.

Source: School District of Hillsborough County, Florida, Comprehensive Annual Financial Report Fiscal Year ended June 30, 2009.

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**Hillsborough County, Florida
Comparative Ratios of Bonded Debt
And Certificates of Participation
To Taxable Assessed Valuation and
Per Capita Indebtedness
As of June 30, 2009**

1. Population (Fiscal Year) ⁽¹⁾	1,234,010
2. Total Taxable Valuation (2009 Tax Year) ⁽²⁾	\$78,955,925,261
3. Direct General Obligation Debt	\$0
(a) As a Percent of Taxable Valuation	0%
(b) Per Capita	\$0
4. Direct and Overlapping General Obligation Debt	\$29,000,000
(a) As a Percent of Taxable Valuation	0.037%
(b) Per Capita	\$23.50
5. Direct Non-Self Supporting Revenue and Direct General Obligation Debt	\$54,530,000
(a) As a Percent of Taxable Valuation	0.069%
(b) Per Capita	\$44.19
6. Direct and Overlapping General Obligation and Direct Non- Self Supporting Revenue Debt	\$83,530,000
(a) As a Percent of Taxable Valuation	0.106%
(b) Per Capita	\$67.69
7. Direct and Overlapping General Obligation, Direct Non-Self Supporting Revenue Debt and Certificates of Participation ⁽³⁾	\$976,589,418
(a) As a Percent of Taxable Valuation	1.237%
(b) Per Capita	\$791.40

(1) Source: School District of Hillsborough County, Florida, Comprehensive Annual Financial Report Fiscal Year ended June 30, 2009.

(2) Certification of Final Taxable Value (DR-422), the School Board of Hillsborough County, Florida.

(3) As of June 30, 2009, except for the Certificates of Participation which takes into account the issuance of the 2010A Certificates and the refunding of the Refunded Certificates.

AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS

The Board derives its revenues for capital outlay projects from certain State and local sources. The major categories of these revenue services are briefly described below. In Fiscal Year 2009-10, excluding proceeds from the issuance of any series of Certificates of Participation and existing fund balances, approximately 6%⁽¹⁾ of the annual revenues for capital improvements are expected to be provided by State revenues, approximately 93%⁽¹⁾ are expected to be provided by local millage and approximately 1%⁽¹⁾, are expected to be provided by investment earnings and other sources.

State Sources

Capital Outlay. The primary source of State educational funding contributions to the Board's capital outlay requirements is the Public Education Capital Outlay Program (PECO). The method of allocation of funds to the district school boards is provided by State law based upon a statutory formula, a component of which is the number of full-time equivalent students in the school system. The State Commissioner of Education administers the PECO program and allocates or reallocates funds as authorized by law. PECO funds allocated by the Office of Education Facilities of the State Department of Education to the Board were \$16,962,200 for Fiscal Year 2008-09 and \$3,114,703 is budgeted to be received for Fiscal Year 2009-10. PECO funds may be used to make the principal portion of lease-purchase payments on a new construction project, but only to the extent that the project otherwise qualifies for PECO funding.

The State Capital Outlay and Debt Service Funds ("CO&DS") also provide funds for the Board's capital outlay requirements. CO&DS funds are derived from a portion of the revenues collected from motor vehicle license charges. The Board received CO&DS funds of \$1,000,067 in Fiscal Year 2007-08 and \$1,019,053 in Fiscal Year 2008-09. The Board anticipates receiving \$897,514.83 of CO&DS funds for Fiscal Year 2009-10.

On November 24, 1997, the Governor of the State signed into law a bill creating the "Public School Capital Outlay Program Act". It established several programs including the "Classrooms First Program," which provides for the issuance by the State of revenue bonds, the proceeds of which will be distributed to the various school districts based upon a formula similar to the formula used in allocating PECO funds. The proceeds of such revenue bonds must be applied by a school district for new construction, remodeling, renovation or major repairs. If a school district certifies that it has no unmet need for permanent classroom facilities or if its unmet needs are less than its proposed allocation of the revenue bond proceeds, it may choose to receive an annual distribution of State lottery revenues in lieu of all or a portion of its allocation of State bond proceeds. Such annual distribution must be used to construct, renovate, remodel, repair or maintain educational facilities. Such funds, whether in the form of State revenue bond proceeds or annual distributions of State lottery revenues, may not be used to make lease purchase payments. In addition, in order

⁽¹⁾ Unaudited

to receive any of such State funds, a school district must fully bond all of its CO&DS funds allocation.

The District also participates in a State Board of Education (SBE) bond program that utilizes a portion of its CO&DS funds allocation for the repaying of debt. The District has nine series of bonds outstanding under this program that are outstanding in the aggregate principal amount of \$54,530,000 and that mature on various dates starting in 2019 through 2028. See the chart entitled "SELECTED FINANCIAL INFORMATION – Debt Statement as of June 30, 2009" herein.

The District is also participating in the State's Classrooms First Program which pledges lottery revenues to pay the debt service on bonds issued by the State. The proceeds shall be expended first for providing permanent classroom facilities and shall not be expended for any other facilities until all unmet needs for permanent classrooms and core facilities are met. The District is entitled to receive a total of \$139,682,849 during a 20-year period that began with fiscal year 1998-99.

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.

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

The major portion of State support is distributed under the provisions of FEFP, which was enacted by the State Legislature in 1973. Basic FEFP funds are provided on a weighted full-time equivalent student ("FTE") basis using a formula that takes into account varying program cost factors and school district cost differentials. The program cost factors which are used to determine the level of each school district's FEFP funding are determined by the State Legislature. The amount of FEFP funds disbursed by the State are adjusted four times during each year to reflect changes in FTE and in variables comprising the weighting formula. In addition, the level of State funding is adjusted during each year to compensate for increases or decreases in ad valorem tax revenue resulting from adjustments to the valuation of non-exempt property in each county.

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, and are not available to make lease purchase payments. Among the larger categorical programs are the programs for school bus transportation and instructional materials. Allocations for these categorical appropriations are based on funding formulae and discretionary State Department of Education grants. The majority of the funds available require actual appropriation by the Board for the purposes for which they were provided. Total State

categorical aid was \$346,465,672 for the 2007-08 Fiscal Year and \$316,501,415 for the 2008-09 Fiscal Year. Total State categorical aid is budgeted at \$211,706,309 for the 2009-10 Fiscal Year.

The Board also receives State educational funding from a variety of miscellaneous State programs. These sources include State Racing Commission funds, State mobile home license tax revenues, and the Florida State Lottery.

Local Sources

Local revenue for school district support is derived almost entirely from real and tangible personal property taxes. There are no local non-property taxes levied specifically for schools. In addition, the Board earns interest on cash invested and collects other miscellaneous revenues. The Board is permitted by State law and the State Constitution to assess property tax through any of five provisions, which are briefly described below. Such local sources are subject to change through legislative and/or constitutional amendments. See "RISK FACTORS – Recent Legislative and Constitutional Initiatives" and "AD VALOREM TAXATION – Recent Constitutional and Legislative Amendments Affecting Ad Valorem Taxes" herein, for a description of recent material changes in applicable law affecting the levy of the Capital Outlay Millage.

(1) For operational purposes, the Florida Legislature requires each school board desiring to participate in the allocation of State funds available to school districts to levy a non-voted millage rate. The millage rate is determined annually by the State Legislature and is referred to as the "district required local effort." The District's required local effort is set forth in the table entitled "DISTRICT LEVIES" in the section entitled "SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA--Historical Millages" herein.

(2) School boards are also authorized to levy an additional non-voted "discretionary millage" for operations, not to exceed an amount established annually by the State Legislature. The District's discretionary millage is set forth in the table entitled "DISTRICT LEVIES" in the section entitled "SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA--Historical Millages" herein.

(3) School boards may levy an additional non-voted millage (the "Local Option Millage Levy") for capital outlay and maintenance purposes, pursuant to Section 1011.71(2), Florida Statutes. Currently, the Local Option Millage Levy may be up to 1.5 mills and may be used to fund new construction, remodeling, site acquisition and improvement; maintenance and repair; school bus purchases; payments under lease purchase agreements and certain short-term loans (each mill represents \$1 of tax assessment per \$1,000 of property value assessment, subject to certain exclusions). Historically, the maximum Local Option Millage Levy was 2.00 mills. In its 2008 session, the Florida Legislature reduced the maximum amount of the levy from the 2.0 mills then in effect to 1.75 mills and in its 2009 session, the Florida Legislature further reduced the maximum levy from 1.75 mills to 1.50 mills. **SEE "AD VALOREM TAXATION - Recent Constitutional and Legislative Amendments Affecting Ad Valorem Taxes" FOR INFORMATION CONCERNING SUCH LEGISLATION THAT MAY ADVERSELY AFFECT THE DISTRICT'S TAXABLE**

ASSESSED VALUATION, LOCAL OPTION MILLAGE LEVY AND THE CAPITAL OUTLAY MILLAGE AVAILABLE TO MAKE LEASE PAYMENTS. Payments from the proceeds of the Local Option Millage Levy for lease purchase agreements for educational facilities and sites, including the Series 1999 Lease, may not exceed three-fourths of the proceeds of the Local Option Millage Levy; provided, however, that for fiscal year 2009-10, such limitation is not applicable for lease-purchase agreements entered into prior to June 30, 2009. In the event that revenues generated from the reduced Local Option Millage Levy are insufficient to make payments under a lease-purchase agreement entered into prior to June 30, 2008, an amount equal to the revenue generated from 0.50 mills of the operating levy may be used to make such Lease Payments. Additionally, pursuant to recently enacted legislation, if the revenue from 1.50 mills is insufficient to make payments under a lease-purchase agreement entered into prior to June 30, 2009 or to meet other critical capital needs, a school board may elect to levy up to 0.25 for capital purposes in lieu of a like amount of discretionary operating millage. Such legislation further authorizes district school boards, by a super majority vote, to levy an additional 0.25 mills for critical capital outlay needs or for critical operating needs. In order for a school district to continue this levy it must be approved by the voters of such school district in the next general election. Such portion of the Local Option Millage Levy is referred to herein as the Capital Outlay Millage. The Board is not required to levy any millage for capital outlay purposes in the future. Since revenues from the levy of the Capital Outlay Millage may be used for, but are not pledged to, the payment of Basic Rent Payments under the Series 1999 Lease, the failure of the Board to levy all or a portion of the Capital Outlay Millage would have an adverse effect on Available Revenues from which the Board may appropriate funds to make Basic Rent Payments.

(4) The Board, with the approval of the qualified electorate of the District, may levy an additional millage for current operations and/or capital outlay purposes for a period of not to exceed two years.

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

The Board assessed a Capital Outlay Millage of 1.50 mills for the 2009-10 fiscal year and 1.75 for the 2008-09 fiscal year. The Board had previously assessed a Capital Outlay Millage Levy of 2 mills for each of the fiscal years from 1990 – 2007. See the table entitled "Hillsborough County, Florida Property Tax Historical Millages" in the section entitled "SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA" herein for a schedule of the millage actually assessed by the Board over the past ten years. The Board's total non-voted millage for fiscal year 2009-10 is 6.192 mills; the State Constitution imposes a cap of 10 mills, exclusive of millage levied for the purposes described in paragraphs (4) and (5) above.

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**ANTICIPATED CAPITAL OUTLAY MILLAGE LEVY
REQUIRED TO COVER MAXIMUM ANNUAL PAYMENTS
ON THE SERIES 2010A CERTIFICATES AND THE PRIOR CERTIFICATES**

The table below sets forth the estimated millage levy that would provide 1.00x coverage of the maximum annual payments on the Series 2010A Certificates and the Prior Certificates assuming a 95% collection of the taxes levied.

Taxable Assessed Valuation (Fiscal Year 2009-2010)	\$78,955,925,261
Funds Generated from 1 Millage Levy ⁽¹⁾	\$75,008,129
Maximum Annual Payments on the Series 2010A Certificates and the Prior Certificates but omitting the Series 2004B Certificates ⁽²⁾	\$63,607,337
Levy Which Equals 1.00x Coverage of Maximum Annual Payments on the Series 2010A Certificates and the Prior Certificates but omitting the Series 2004B Certificates ⁽²⁾	0.85 mills
Maximum Annual Payments on the Series 2010A Certificates and the Prior Certificates including the Series 2004B Certificates ⁽²⁾	\$67,712,286
Levy Which Equals 1.00x Coverage of Maximum Annual Payments on the Series 2010A Certificates and the Prior Certificates including the Series 2004B Certificates ⁽²⁾	0.90 mills

⁽¹⁾ This number calculated using 95% of the preliminary taxable assessed valuation.

⁽²⁾ The Series 2004B Certificates are expected to be paid from a portion of the Board's sales tax revenues collected pursuant to Chapter 212, Part I, Florida Statutes (the "Sales Tax Revenues"), provided, however, that this is subject in all respects to the prior lien on Sales Tax Revenues that the holders of the presently outstanding or hereinafter issued Sales Tax Revenue Bonds have.

Accounting and Auditing System

Generally accepted accounting principles are used in the financial accounting and reporting of the Board. These generally accepted accounting principles are promulgated and published by the Governmental Accounting Standards Board (an independent nongovernmental body). The Governmental Accounting Standards Board is the recognized authority on specific application of generally accepted accounting principles to governmental agencies.

The Board uses an account classification system specified in a manual entitled *Financial and Program Cost Accounting and Reporting for Florida Schools*. Specific accounting forms and instructions and data collection instruments must be submitted to the Commissioner of Education of the State at designated intervals. Staff within the Financial Management Section of the State Department of

Education review and the Commissioner of Education approves the Board's annual budget prior to implementation.

The State Department of Education conducts regular financial compliance reviews of the Board to ensure that the Board complies with state regulations. In conjunction with this, the Financial Management Section of the Department of Education reviews the cost reporting system of each district to ensure that the Financial and Program Cost Accounting and Reporting for Florida Schools is being properly implemented by the Board.

The Office of the Florida Auditor General conducts a financial audit of the Board once every three fiscal years and may conduct a performance audit as well. This audit includes all federal and State programs within the Board. The Department of Education offers technical assistance to the Board to remedy any problems identified by the Auditor General.

AD VALOREM TAXATION

The following information is provided in view of the fact that a large portion of the Board's Available Revenues used to pay Basic Rent are derived from ad valorem taxation. Local ad valorem property taxes are levied by the application of the millage rate to the assessed valuation of non-exempt property within the County. The following uses of real property are generally exempt from ad valorem taxation: religious, educational, charitable, scientific, literary and governmental. In addition, there are special exemptions for widows, hospitals, homesteads and homes for the aged and disabled veterans. The "homestead exemption" exempts from taxation the first \$25,000 of the assessed valuation of a residence occupied by the owner on a permanent basis, as of January 1 of the year of valuation. Agricultural land, noncommercial recreational land, inventory and livestock are assessed at less than 100 percent of fair market value.

Property Assessment Procedure

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

The property owner has the right to file an appeal of the determination of assessed value with the Value Adjustment Board, which considers petitions relating to assessments and exemptions. The Value Adjustment Board is composed of members of the Board and the Board of County Commissioners. The decision of the Value Adjustment Board may be appealed to the Circuit Court. The Property Appraisal Adjustment Board certifies the assessment roll upon completion of the hearing of appeals. Millage rates are then computed by the various taxing

authorities and certified to the Property Appraiser, who applies the millage rates to the assessment roll. This procedure creates the tax roll, which is then certified and turned over to the County Tax Collector.

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

Truth in Millage Bill

The Florida Legislature enacted the Truth in Millage Bill (the "Trim Bill") requiring that only governing bodies of taxing authorities fix the millage rate and requiring that all property be assessed at one hundred percent (100%) of just value. Sections 200.071 and 200.091, Florida Statutes, prohibit the millage for taxing authorities from being set by referendum, except as provided in the Constitution of the State.

Collection of Taxes

The assessment of all properties and the collection of all county, municipal and school district property taxes are consolidated in the office of the County Property Appraiser and County Tax Collector. Ad valorem taxes become payable on November 1 of each year, and become delinquent on the following April 1. Discounts are allowed for early payment of 4% if paid in November, 3% if paid in December, 2% if paid in January and 1% if paid in February. No discount is granted if taxes are paid in March. In June, the County Tax Collector advertises and sells tax certificates on those lands on which taxes have not been paid to pay the taxes, interest, costs and charges on the parcel described in the tax certificate. If there are no bidders, the tax certificate is issued to Hillsborough County. Real property taxes bear interest at a rate not to exceed 18% per year from the date of delinquency until a tax certificate is sold except that the minimum charge for delinquent taxes paid prior to the sale of a tax certificate is 3%.

The District's tax levies and collections for the fiscal years 2001 through 2009 are as follows:

**School District of Hillsborough County
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year	Total Tax Levy	Collected to End of Tax Year		Delinquent Collections(1)	Collected in Fiscal Year	
		Current Tax Collections(1)	Percent of Levy(1)		Total Collections(1)	Percent of Levy(1)
2009	\$695,871,440	\$664,675,893	95.52%	\$2,887,719	\$667,563,612	95.93%
2008	662,885,929	635,203,884	95.82	974,481	636,178,365	95.97
2007	616,369,811	592,574,795	96.14	460,888	593,035,683	96.21
2006	512,534,878	494,030,382	96.39	802,840	494,833,222	96.55
2005	469,234,393	449,419,671	95.78	2,809,251	452,228,923	96.38
2004	427,174,861	410,947,183	96.20	631,930	411,579,112	96.35
2003	398,429,175	381,848,372	95.84	1,359,357	383,207,729	96.18
2002	368,270,540	353,243,344	95.92	5,077,304	358,320,648	97.30
2001	330,865,385	315,442,741	95.34	2,283,652	317,726,393	96.03

(1) Net of allowable discounts. Property Taxes become due and payable on November 1st of each year. A four percent (4%) discount is allowed if taxes are paid in November, with the discounts declining by one percent (1%) each month thereafter. Accordingly, taxes collected will never be 100% of the tax levy since the percent of levy collected reflects the statutory early payment discounts. Taxes become delinquent on April 1st of each year and tax certificates for the full amount of any unpaid taxes and assessments must be sold not later than June 1st of each year. Accordingly, the majority of taxes are collected in the fiscal year levied.

Source: School District of Hillsborough County, Florida, Comprehensive Annual Financial Report For The Fiscal Year ended June 30, 2009.

Delinquent taxes are subject to a 3% monthly interest charge on real property and a 1.5% monthly charge for tangible personal property. The property owner is also assessed advertising, court and other charges incurred to collect the taxes.

The property owner may redeem a tax certificate by paying the County Tax Collector the face value of the tax certificate and accrued interest, plus a redemption fee of \$6.25. The redeemer must pay a minimum of 5% of the face amount of the certificate unless the tax certificate was bid at no interest.

The Tax Collector notifies the tax certificate holder of the redemption and makes the arrangements to obtain the tax certificate and to process the payment. In some instances, the County itself acquires the tax certificates as a lien against the property.

After two years from April 1 of the year of issuance of the tax certificate, a private holder of any unredeemed tax certificate may apply for a tax deed to the property. The County also has a two-year minimum wait for purchase of a tax deed. Such procedures are governed by State law applicable to all Florida Counties.

The request for a tax deed is referred to the Clerk of the Circuit Court who will hold an auction after the proposed sale of the tax deed has been advertised for four consecutive weeks in a newspaper as prescribed by law.

The minimum acceptable bid for a tax deed must cover the face value of the tax certificate, accrued interest, and all other costs and fees paid by the applicant.

Recent Constitutional and Legislative Amendments Affecting Ad Valorem Taxes

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

Several Constitutional and Legislative amendments affecting Ad Valorem Taxes have been approved by voters in the past including the following.

Save Our Homes. By voter referendum held on November 2, 1992, Article VII, Section 4 of the Florida Constitution was amended by adding thereto a subsection which, in effect, limits the increases in assessed just value of homestead property to the lesser of (1) three percent of the assessment for the prior year or (2) the percentage change in the Consumer Price Index for all urban consumers, U.S. City Average, all items 1967=100, or successor reports for the preceding calendar year as initially reported by the United States Department of Labor, Bureau of Labor Statistics. Further, the amendment provides that (1) no assessment shall exceed just value, (2) after any change of ownership of homestead property or upon termination of homestead status such property shall be reassessed at just value as of January 1 of the year following the year of sale or change of status, (3) new homestead property shall be assessed at just value as of January 1 of the year following the establishment of the homestead, and (4) changes, additions, reductions or improvements to homestead shall initially be assessed as provided for by general law, and thereafter as provided in the amendment. The effective date of the amendment was January 5, 1993 and, pursuant to a ruling by the Supreme Court of the State of Florida it began to affect homestead property valuations commencing January 1, 1995 with 1994 assessed values being the base year for determining compliance.

In the November 7, 2006 general election, the voters of Florida approved amendments to the State Constitution, which provide for an increase in the homestead (ad valorem tax) exemption to \$50,000 from \$25,000 for certain low-income seniors effective January 1, 2007 and provide a

discount from the amount of ad valorem taxes for certain permanently disabled veterans effective December 7, 2006, respectively.

Constitutional amendments related to ad valorem exemptions. On January 29, 2008 voters approved amendments to the State Constitution exempting certain portions of a property's assessed value from taxation. The following is a brief summary of certain important provisions contained in such amendments:

1. Provides for an additional exemption for the assessed value of homestead property between \$50,000 and \$75,000, thus doubling the existing homestead exemption for property with an assessed value equal to or greater than \$75,000. See "AD VALOREM TAXATION - Property Assessment Procedures" for a description of the homestead exemption. This exemption does not apply to school district taxes.

2. Permits owners of homestead property to transfer their "Save Our Homes" benefit (up to \$500,000) 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. The Save Our Homes amendment generally limits annual increases in ad valorem tax assessments for those properties with homestead exemptions to the lesser of three percent (3%) or the annual rate of inflation. This exemption applies to all taxes, including school district taxes.

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

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

The amendments became effective for the District's 2008-09 fiscal year. While certain members of the Florida Legislature publicly indicated that they would seek to replace the ad valorem revenues lost by school districts with other revenue sources, the Florida Legislature approved significant budget cuts for education during its last session. At this time, it is impossible to estimate with any certainty the level of impact that the constitutional amendments will have on the District, but the impact could be substantial.

A lawsuit challenging the constitutionality of at least part of the amendments was filed prior to the referendum approval by the voters. In *Bruner v. Hartsfield*, filed in the Circuit Court in and for Leon County, Florida in November 2007, new Florida homestead owners (having paid ad

valorem taxes for the past four years) filed a class action lawsuit challenging the constitutionality of the Save Our Homes assessment cap and the portability provision. The lawsuit charges that Save Our Homes constitutes an unlawful residency requirement for tax benefits on substantially similar property, in violation of the State Constitution's Equal Protection provisions and the Privileges and Immunities Clause of the Fourteenth Amendment to the United States Constitution. The lawsuit argues that the portability provision simply extends the unconstitutionality of the tax shelters granted to long-term homeowners by Save Our Homes. The lawsuit requests a declaration of the unconstitutionality of both provisions and injunctive action preventing continued application of those provisions. On October 27, 2008, the Circuit Court dismissed with prejudice the Complaint. However, the plaintiffs filed an appeal with the First District Court of Appeal (the "1st DCA"). The 1st DCA heard oral arguments on October 20, 2009 and on November 17, 2009 issued its opinion affirming the trial court's decision. The plaintiffs have appealed to the Florida Supreme Court and the court has accepted the matter under its discretionary jurisdiction where it is pending. At the present time, it is impossible to predict any further appeal by the plaintiffs or the likelihood of the plaintiffs' success in such an appeal or the impact of an appeal on the District's finances.

On October 18, 2007, the same Court, in *Lanning v. Pilcher*, a case filed by out-of-state residents challenging the constitutionality of the Save Our Homes assessment cap, rejected the plaintiffs arguments that the Save Our Homes assessment cap violates either the Commerce Clause or the Privileges and Immunities Clause of the U.S. Constitution or the Equal Protection Clause of either the U.S. or Florida Constitutions and dismissed the plaintiffs' allegations with prejudice. The *Lanning* Court noted that its decision was limited to the plaintiffs' complaints regarding the Save Our Homes assessment cap. The 1st DCA affirmed the lower court and ruled that the Save Our Homes assessment cap is constitutional. The plaintiffs have appealed to the Florida Supreme Court and the court has accepted the matter under its discretionary jurisdiction where it is pending.

One or more lawsuits similar to *Lanning v. Pilcher* have been filed against other defendants in the State of Florida. The allegations and relief requested by the plaintiffs in each of these cases are very similar, except that the portability provision was not challenged in *Lanning v. Pilcher* since the case was filed prior to the approval of the amendments implementing portability. As noted above, the Circuit Court rejected such arguments in *Lanning v. Pilcher* with similarly situated plaintiffs. At the present time, it is impossible to predict the likelihood of the plaintiffs' success in any of these lawsuits or, if successful, the impact of these lawsuits on the District's financial condition.

Reduction in Local Option Millage Levy. In 2008, the Florida Legislature amended Section 1011.71(2), Florida Statutes, to reduce the maximum millage rate that school districts may levy for capital outlay and maintenance purposes (referred to in this Offering Statement as the Local Option Millage Levy) from 2.0 mills to 1.75 mills commencing in fiscal year 2008-2009. In conjunction with such reduction, the State's Commissioner of Education increased the amount of the required local effort by 0.25 mills, which resulted in a net shift of the millage (and associated tax revenues) from capital outlay and maintenance purposes to operational purposes. As further discussed in "DISTRICT REVENUES FOR CAPITAL PROJECTS – Local Capital Outlay Sources", the Local

Option Millage Levy constitutes the primary source of funds to make Lease Payments in respect of the Series 2010A Certificates, as well as any other certificates of participation issued in connection with the Master Lease. The reduction in the maximum Local Option Millage Levy will therefore directly reduce the amount of funds available to make lease payments in respect of the Series 2010A Certificates. However, the legislation provides that if the revenues generated from the reduced Local Option Millage Levy are insufficient to make payments under a lease-purchase agreement entered into prior to June 30, 2008, an amount equal to the revenue generated from 0.50 mills of the operating levy may be used to make such lease payments. Accordingly, while such reduction may not adversely affect the District's ability to make Lease Payments under certain existing Leases, it does reduce the funds available to make Lease Payments under the Series 1999 Lease and may adversely impact the District's ability to finance additional educational facilities under the Master Lease in the future.

Further Reduction in Local Option Millage Levy. In 2009, the Florida Legislature amended Section 1011.71, Florida Statutes relating to the Local Option Millage Levy and the use thereof for Lease Payments. Such legislation makes the following changes to Section 1011.71, Florida Statutes: (i) the further reduction of the maximum Local Option Millage Levy from 1.75 mills to 1.5 mills; (ii) a waiver of the three-fourths limit on use of proceeds from the Local Option Millage Levy for lease-purchase agreements entered into before June 30, 2009 for the 2009-2010 fiscal year; (iii) if the revenue from 1.5 mills is insufficient to make payments due under a lease-purchase agreement entered into prior to June 30, 2009 or to meet other critical fixed capital outlay needs, authorization for the school districts to levy up to 0.25 additional mills for capital improvement needs in lieu of an equivalent amount of the discretionary mills for operations as provided in the State General Appropriation Act; and (iv) authorization for district school boards, by a super majority vote, to levy an additional 0.25 mills for critical capital outlay needs or for critical operating needs. If levied for operations, districts in which 0.25 mills generates less than the state average are to be provided the difference in state funds allocated through the FEFP. In order to continue the 0.25 mills levy it must be approved by the voters of the district in the next general election. This reduction of the maximum permitted Local Option Millage Levy directly reduces the amount of funds available to make Lease Payments with respect to the Series 2010A Certificates. See, the chart herein entitled, "Anticipated Capital Outlay Millage Levy Required to Cover Combined Maximum Annual Lease Payments Represented by the Series 2010A Certificates" for further information regarding the anticipated millage levy required to be levied by the Board to provide funds sufficient to make all annual Lease Payments.

Additional possible constitutional amendments related to ad valorem exemptions. In 2009, the Florida Legislature passed legislation which requires that a statewide referendum be placed on the November 2010 general election ballot for two measures: (i) an additional homestead exemption for first-time homebuyers; and (ii) a 5% assessment limitation on all commercial and on non-homestead, residential property. The additional homestead exemption for first-time homebuyers, which would apply to anyone who has not owned a principal residence in Florida during the previous eight years, would provide an exemption of 25% of the just value of the property up to \$100,000. The exemption would then be reduced each year thereafter by 20% of the difference

between the capped value and the just value, whichever is greater, until the assessment on the just value is attained. The first-time homebuyers' exemption, if approved by voters, would be available for properties purchased on or after January 1, 2010 and would take effect on January 1, 2011. The Florida Constitution currently provides a 10% limitation over the prior year's assessment value on all commercial and non-homestead, residential property. Therefore, if approved by voters, the referendum would not allow commercial and non-homestead, residential property to be assessed at a value greater than 105% of the prior year's assessed value.

Additionally, in 2009, the Florida Legislature passed legislation which would provide an additional homestead exemption for deployed military personnel. The exemption, if approved by voters, would equal the percentage of days during the prior calendar year that the military homeowner was deployed outside of the United States in support of military operations designated by the legislature. This measure also requires approval of Florida voters at the November 2010 General Election. If this measure is approved by the voters, it would take effect January 1, 2011.

At the present time, it is impossible to predict the likelihood of either of these amendments being approved by Florida voters or, if approved, the impact these measures would have on the District's financial condition.

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Historical and Current Millages

The following table contains historical and current millage levels for the Board:

DISTRICT LEVIES

<u>TAX LEVY</u>	<u>Fiscal Year Ending June 30</u>									
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund										
Nonvoted School Tax:										
State - Required Local Effort	5.746	5.664	5.680	5.577	5.493	5.168	5.063	4.784	5.304	5.4220
Local - Discretionary	0.510	0.510	0.510	0.510	0.510	0.510	0.510	0.510	0.498	0.748
Local - Supplemental	0.209	0.202	0.195	0.183	0.174	0.250	0.250	0.229	0.225	0.000
<u>Capital Projects Fund</u>										
Nonvoted School Tax:										
Local Capital Improvements	<u>2.000</u>	<u>2.000</u>	<u>2.000</u>	<u>2.000</u>	<u>2.000</u>	<u>2.000</u>	<u>2.000</u>	<u>2.000</u>	<u>1.750</u>	<u>1.500</u>
Total Nonvoted millage	8.465	8.376	8.385	8.270	8.177	7.928	7.823	7.523	7.777	7.692
<u>Debt Service Fund</u>										
Voted School Tax:										
Debt Service	<u>0.250</u>	<u>0.210</u>	<u>0.210</u>	<u>0.210</u>	<u>0.184</u>	<u>0.009</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total District Millage Levy	8.715	8.586	8.595	8.480	8.361	7.937	7.823	7.523	7.777	7.692

Sources: School District of Hillsborough County Budget Department.

Pursuant to Article VII of the State Constitution, the Board may not levy ad valorem taxes, exclusive of voted taxes levied for the payment of debt service, in excess of 10 mills.

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Assessed Valuation

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

Hillsborough County, Florida
School Taxable Value
Assessed Value of Taxable Property
2000-2009
(In Thousands)

<u>Tax Year</u>	<u>Total Assessed Value</u>	<u>Net Assessed Value</u>	<u>Taxable Assessed Valuation</u>	<u>% Taxable Value For Operating Millages</u>
2009	\$125,772,114	110,127,213	\$89,248,351	71%
2008	129,849,694	114,865,796	87,605,046	67
2007	119,643,747	105,425,310	78,428,497	66
2006	96,036,951	83,476,837	64,575,391	67
2005	81,135,780	70,713,903	56,122,474	69
2004	72,263,339	62,672,589	50,374,394	70
2003	66,579,217	57,365,174	46,355,925	69
2002	60,706,431	52,459,281	42,891,980	71
2001	53,356,474	46,012,223	37,965,047	71
2000	49,254,441	41,494,770	34,671,754	70

Note: Net Taxable Values are net Assessed Values after deducting allowable statutory exemption such as Save Our Homes exemption and other exemptions.

Source: School District of Hillsborough County, Florida.

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Principal Taxpayers

The following table contains the list of the County's ten largest taxpayers. No single taxpayer in the County pays more than 1.61% of the total ad valorem taxes levied.

**List of 10 Highest Ad Valorem
Taxpayers in Hillsborough County, Florida
Fiscal Year 2009
(in thousands)**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Total Taxes</u>	<u>Assessed Value*</u>	<u>% of Total Assessed Value*</u>
Tampa Electric Company	Electric Utility	\$31,181	\$1,435,499	1.61%
Verizon Florida Inc.	Communications	25,857	1,190,392	1.33
Hillsborough Aviation Authority	Transportation	12,008	552,822	0.62
Mosaic Fertilizer, LLC	Mining	8,101	372,968	0.42
Camden Operating LP	Real Estate	5,758	265,122	0.30
Wal-Mart	Retail Sales	4,309	198,384	0.22
Liberty Property	Property Management	5,286	143,354	0.27
Post Apartment Homes LP	Housing	5,845	241,460	0.27
Tampa Port Authority	Cargo/Cruise/Real Estate	4,071	187,440	0.21
Total of Top 10		<u>\$108,271</u>	<u>\$4,984,605</u>	<u>5.58%*</u>

*Variance, due to rounding

Source: School District of Hillsborough County, Florida, Comprehensive Annual Financial Report For The Fiscal Year ended June 30, 2009.

PENSION AND OTHER POSTEMPLOYMENT BENEFIT PLANS

All regular employees of the District are covered by the Florida Retirement System (the "FRS"), a State-administered, cost-sharing, multiple-employer, public employee defined benefit retirement plan (the "Plan"). Plan provisions are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and Florida Retirement System Rules, Chapter 60S, Florida Administrative Code, wherein Plan eligibility, contributions, and benefits are defined and described in detail. Essentially, all regular employees of participating employers are eligible and must enroll as members of the FRS. Benefits in the defined benefit plan vest at six years of service. The defined benefit plan also includes an early retirement provision but imposes a penalty for each year a member retires before his or her normal retirement age. The defined benefit plan provides retirement, disability, and death benefit, and annual cost-of-living adjustments.

The District's liability for participation in the Plan is limited to the payment of the required contribution at the rates and frequencies established by law on future payrolls of the District. The

District's contributions (including employee contributions) for the fiscal years ending June 30, 2007, June 30, 2008 and June 30, 2009 totaled \$90,301,679, \$97,943,619 and \$98,481,287, respectively, which were equal to the required contributions for each fiscal year.

As authorized by Section 1012.985, Florida Statutes, the Board implemented an Early Retirement Plan (the "Early Retirement Plan") effective August 1, 1984. The Early Retirement Plan is a single-employer defined benefit plan. The purpose of the Early Retirement Plan is to provide eligible District employees, who elect to retire under the early retirement provisions of the Florida Retirement System, with a monthly benefit equal to the statutory reduction of the normal retirement benefits when early retirement precedes the normal retirement age of 62. Pursuant to the Early Retirement Plan Agreement, no contribution shall be required or permitted from any member. Board contributions shall be sufficient to meet the annual pension cost of the Early Retirement Plan and to amortize the un-funded actuarial accrued liability within 30 years based on an actuarial study. There are no long-term contracts to the plan. Periodic employer contributions to the Early Retirement Plan are determined on an actuarial basis using the "Entry Age Actuarial Cost Method". Annual pension cost is funded on a current basis. Pursuant to Section 112.64, Florida Statutes, the un-funded actuarial accrued liability is funded over a 40-year period. Periodic contributions for both normal cost and the amortization of the un-funded actuarial liability are based on the level percentage of payroll method.

Significant actuarial assumptions used to compute annual required contributions are the same as those used to determine the actuarial accrued liability.

Total contributions to the Early Retirement Plan in fiscal years 2007, 2008 and 2009 amounted to \$3,843,945, \$3,549,014 and \$1,707,456 respectively. The actuarially determined contribution for fiscal years 2007, 2008 and 2009 were \$3,640,027, \$3,649,945 and \$2,063,437, respectively, which were determined through actuarial valuations performed at July 1, 2006, July 1, 2007 and July 1, 2008, respectively. The total annual pension costs for fiscal years 2007, 2008 and 2009 were \$3,623,394, \$3,649,958 and \$2,059,509, respectively. The percentage of pension cost contributed for fiscal years 2007, 2008 and 2009 were 106.09%, 97.23% and 82.90%, respectively.

As of July 1, 2008, the actuarial accrued liability for benefits was \$31,610,000 of which \$17,039,000 was unfunded. The covered payroll (annual payroll for active participating employees) was \$31,812,000 for the 2009 fiscal year, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 53.6%.

In addition to its contributions under the State's retirement plan described above, the District provides other postemployment benefits ("OPEB") for certain of its retired employees in the form of both an implicit rate subsidy, by providing access to health insurance plans requiring the use of a single "blended" or "common" rate for both active and retired employees, as well as a small co-payment of premiums on a quarterly basis. The offering of this health insurance coverage is required by Section 112.0801, Florida Statutes. The employer contribution rate from July 2008 through June 2009 was less than 1% percent of eligible wages. Total District contributions for the fiscal year ended June 30, 2009 were \$4,502,984. See "APPENDIX B – COMPREHENSIVE

ANNUAL FINANCIAL REPORT OF THE SCHOOL DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2009" attached hereto, and specifically, Note 19 in the Notes to Financial Statements, therein.

INVESTMENT POLICY

Assets of the District are governed by an investment policy adopted by the Board under the provisions of Sections 1001.42, Florida Statutes, as amended. Furthermore, the investment of certain assets held under the Trust Agreement such as the Lease Payment Fund, the Project Fund, the Prepayment Fund and the Rebate Fund, is also governed by the terms and provisions of the Trust Agreement.

Pursuant to the District's investment policy, the Superintendent or designee shall invest temporarily idle excess funds with the State Board of Administration (the "SBA") in the Local Government Surplus Trust Fund or with an intergovernmental pool. Funds made available through issuance of long-term debt will be invested with an approved national investment firm, or banking institution selected through a request for proposal process and under the terms and conditions contained therein to include permitted securities as authorized by Florida statute. Principals will invest temporarily idle internal account funds in qualified depositories or securities as defined in Florida statute or the SBA through the School Internal Account Investment Program.

On November 29, 2007, the State Board of Administration implemented a freeze on the assets held in the State Board of Administrator's Local Government Surplus Trust Fund Investment Pool (the "LGIP") due to an unprecedented amount of withdrawals from the LGIP coupled with the absence of market liquidity for certain securities within the LGIP. The LGIP has been restructured and the Board has received control over much of the funds it had on deposit in the LGIP at the time it was frozen. Under the restructure of the LGIP, the frozen funds are held in "Fund B." As of June 30, 2009, the fair value of the Board's funds in Fund B approximated \$14,961,000. See "APPENDIX B – COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE SCHOOL DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2009" attached hereto, and specifically, Note 3 in the Notes to Financial Statements, therein. As cash becomes available in Fund B from interest receipts, maturities, or sales, it will be distributed to the Board according to its pro rata share of Fund B. Such limitations present no immediate liquidity concerns related to the Board's ability to pay operating expenses or debt service. The Board has sufficient liquidity from both operating and investment sources to meet its routine cash flow needs for both operating expenses and debt service payments.

The investment policy described above may be revised by the Board from time to time. A revised investment policy is currently being prepared that may be considered by the Board later this year. Such revised investment policy, if approved, may expand the authorized investments to include certain United States Government Securities; United States Government Agency Securities, interest bearing time deposits, certain instruments permitted by Florida Statutes, money market funds with the highest credit quality rating; shares in certain investment company or investment trusts rated "AAAm" or "AAAm-G" or better, certain State and/or Local Government Taxable and

or Tax-Exempt Debt and other investment that are permitted by state statute and are not prohibited by the Investment Policy and are approved in advance by the Board.

LITIGATION

Concurrently with the delivery of the Series 2010A Certificates, Counsel to the Board will deliver an opinion which states, among other things, that there is no litigation or other proceedings pending or, to the best knowledge of the Board, threatened against the Board (i) that seeks to restrain or enjoin the issuance or delivery of the Series 2010A Certificates, the Master Lease or the Series 1999 Lease Agreement or (ii) questioning or affecting the validity of the Series 2010A Certificates, the Master Lease or the Series 1999 Lease Agreement or any proceedings of the Board or actions of the Trustee with respect to the authorization, sale, execution or issuance of the Series 2010A Certificates or the transactions contemplated by this Offering Statement or the Master Lease, the Trust Agreement, the Series 1999 Lease Agreement or any other agreement or instrument to which the 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 or existence of the Board and which would have an adverse effect on the actions taken by the Board with respect to the issuance of the Series 2010A Certificates.

The 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. In the opinion of the Counsel to the Board, however, the Board will either successfully defend such actions or otherwise resolve such matters without any material adverse consequences on the Board's financial condition.

TAX EXEMPTION

Opinion of Special Counsel

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Series 2010A Certificates in order that the Interest Component of the Basic Rent Payments received by the Owners of the Series 2010A Certificates be and remain excluded from gross income for purposes of federal income taxation. Non-compliance may cause such Interest Component to be included in federal gross income retroactive to the date of issuance of the Series 2010A Certificates, regardless of the date on which such non-compliance occurs or is ascertained. The Board and the Corporation have covenanted in the Series 1999 Lease Agreement to comply with such requirements in order to maintain the exclusion from federal gross income of the Interest Component.

In the opinion of Special Counsel, the form of which is included as APPENDIX H hereto, under existing statutes, regulations, rulings and court decisions, and assuming compliance with the aforementioned covenants, prior to the termination of the Series 1999 Lease Agreement resulting from an Event of Non-Appropriation or Event of Default thereunder, the Interest Component of the Basic Rent Payments is excludable from gross income for federal income tax purposes and is not an

item of preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, the Interest Component of the Basic Rent Payments is taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax imposed on certain corporations pursuant to the Code.

Internal Revenue Code of 1986

The Code contains a number of provisions that apply to the Series 2010A Certificates, including among other things, restrictions relating to the use of investment of the proceeds of the Series 2010A Certificates and the payment of certain arbitrage earnings in excess of the "yield" on the Series 2010A Certificates to the Treasury of the United States. Noncompliance with such provisions may result in the Interest Component of the Basic Rent Payments being included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2010A Certificates.

Collateral Tax Consequences

Except as described above, Special Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of, the Series 2010A Certificates. Prospective purchasers of Series 2010A Certificates should be aware that the ownership of Series 2010A Certificates may result in collateral tax consequences to various types of corporations relating to (1) the branch profits tax, (2) the denial of interest deductions to purchase or carry such Series 2010A Certificates, and (3) the inclusion of the Interest Component of the Basic Rent Payments in passive income for certain Subchapter S corporations. In addition, the Interest Component may be included in gross income by recipients of certain Social Security and Railroad Retirement benefits.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE SERIES 2010A CERTIFICATES AND THE RECEIPT OR ACCRUAL OF THE INTEREST COMPONENT OF THE BASIC RENT PAYMENTS MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE SERIES 2010A CERTIFICATE HOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE SERIES 2010A CERTIFICATE HOLDERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

Other Tax Matters

The Interest Component of the Basic Rent Payments may be subject to state or local income taxation under applicable state or local laws in other jurisdictions. Purchasers of the Series 2010A Certificates should consult their own tax advisors as to the income tax status of such Interest Component in their particular state or local jurisdiction.

During recent years legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of

obligations that are similar to the Series 2010A Certificates. In some cases these proposals have contained provisions that altered these consequences on a retroactive basis. Such alterations of federal tax consequences may have affected the market value of obligations similar to the Series 2010A Certificates. From time to time, legislative proposals are pending which could have an effect of both the federal tax consequences resulting from ownership of the Series 2010A Certificates and their market value. No assurance can be given that additional legislative proposals will not be introduced or enacted that would or might apply to, or have an adverse effect upon, the Series 2010A Certificates.

Original Issue Discount

Under the Code, the difference between the principal amount of the Series 2010A Certificates maturing on July 1 in the years 2022, 2023, 2024 (with interest rates of 4.125% and 4.250%) and 2025 (with interest rates of 4.250% and 4.375%) (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 was sold, is "original issue discount." Original issue discount represents interest which is excluded from gross income for federal income tax purposes. Original issue discount will accrue over the term of a Discount Certificate at a constant interest rate compounded semi-annually. A purchaser who acquires a Discount Certificate at the initial offering price thereof to the public will be treated as receiving, prior to the termination of the Series 1999 Lease Agreement resulting from an Event of Non-Appropriation or Event of Default thereunder, an amount of interest excludable from gross income for federal income tax purposes equal to the original issue discount accruing during the period he holds such Discount Certificates and will increase its adjusted basis in such Discount Certificates by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or other disposition of such Discount Certificates. The federal income tax consequences of the purchase, ownership and prepayment, sale or other disposition of 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. Owners of Discount Certificates should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, prepayment or other disposition of such Discount Certificates and with respect to the state and local tax consequences of owning and disposing of such Discount Certificates.

Special Counsel expresses no opinion regarding the federal income tax consequences resulting from the accrual of original issue discount following the termination of the Series 1999 Lease Agreement resulting from an Event of Non-Appropriation or Event of Default thereunder.

Original Issue Premium

The difference between the principal amount of the Series 2010A Certificates maturing on July 1 in the years 2011 through 2020 (inclusive), 2024 (with an interest rate of 5.000%) and 2025 (with an interest rate of 5.000%) (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 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 the Premium Certificates which term ends on the earlier of the maturity or call date for each Premium Certificate which minimizes the yield on said 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 to the public at the initial offering price 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. Owners of the Premium Certificates are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium Certificates.

Special Counsel expresses no opinion regarding the federal income tax consequences resulting from the accrual of original issue premium following the termination of the Series 1999 Lease Agreement resulting from an Event of Non-Appropriation or Event of Default thereunder.

NOTWITHSTANDING THE FOREGOING, SPECIAL COUNSEL EXPRESSES NO OPINION REGARDING THE FEDERAL INCOME TAX OR FLORIDA TAX CONSEQUENCES RESULTING FROM THE OWNERSHIP OF THE SERIES 2010A CERTIFICATES OR THE RECEIPT BY THE OWNERS THEREOF OF PAYMENTS ON THE SERIES 2010A CERTIFICATES FOLLOWING THE TERMINATION OF THE SERIES 1999 LEASE AGREEMENT RESULTING FROM AN EVENT OF NON-APPROPRIATION OR EVENT OF DEFAULT THEREUNDER.

RATINGS

Moody's Investors Service ("Moody's"), Standard & Poor's Ratings Services ("S&P") and Fitch Ratings ("Fitch") have assigned ratings of "Aa3", "AA-" and "AA-", respectively, to the Series 2010A Certificates. 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 agencies, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2010A Certificates.

LEGAL MATTERS

Certain legal matters in connection with the issuance of the Series 2010A Certificates are subject to an approving legal opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Special Counsel, whose approving opinion (a form of which is attached hereto as Appendix H) will be available at the time of delivery of the Series 2010A 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. Such 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 upon for the Board by its Counsel, Thompson, Sizemore and Gonzalez P.A., Tampa, Florida and Bryant Miller Olive P.A., Tampa, Florida, Disclosure Counsel and for the Corporation by Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Special Counsel. Akerman Senterfitt, Jacksonville, Florida, is serving as counsel to the Underwriters.

Special Counsel has not been engaged to, nor has it undertaken to, review the accuracy, completeness or sufficiency of this Offering Statement or any other offering material relating to the Series 2010A Certificates; provided, however, that Special Counsel shall render an opinion to the Underwriters (as to which only they may rely) of the Series 2010A Certificates relating to the accuracy of certain statements contained herein under the heading "TAX EXEMPTION" and certain statements which summarize provisions of the Master Lease, the Series 1999 Lease Agreement, the Trust Agreement, the Assignment, the Ground Lease and the Series 2010A Certificates.

FINANCIAL ADVISOR

The Board has retained Ford & Associates, Inc., Tampa, Florida, as financial advisor in connection with the Board's financing plans and with respect to the issuance of the Series 2010A Certificates. Fees paid to Ford & Associates, Inc. may include fees for bidding investments on behalf of the Board. 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 2010A Certificates.

UNDERWRITING

The Series 2010A Certificates are being purchased by Wachovia Bank, N.A., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Citigroup Global Markets Inc., Jackson Securities, Inc., Morgan Stanley & Co. and Raymond James & Associates, Inc. (collectively, the "Underwriters"), at a price of \$100,294,709.80 (which represents the par amount of the Series 2010A Certificates plus net original issue premium of \$3,233,831.10 and less an Underwriters' discount of \$484,121.30). The Underwriters' obligations are subject to certain conditions precedent, and they will be obligated to purchase all of the Series 2010A Certificates if any Certificates are purchased. The Series 2010A Certificates may be offered and sold to certain dealers (including dealers depositing such 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.

Wells Fargo Securities is the trade name for certain capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National

Association. On or about March 20, 2010, Wachovia Bank, N.A. merged into Wells Fargo Bank, N.A.

Morgan Stanley and Citigroup Inc., the respective parent companies of Morgan Stanley & Co. Incorporated and Citigroup Global Markets Inc., each an underwriter of the Series 2010A Certificates, have entered into a retail brokerage joint venture. As part of the joint venture each of Morgan Stanley & Co. Incorporated and Citigroup Global Markets Inc. will distribute municipal securities to retail investors through the financial advisor network of a new broker-dealer, Morgan Stanley Smith Barney LLC. This distribution arrangement became effective on June 1, 2009. As part of this arrangement, each of Morgan Stanley & Co. Incorporated and Citigroup Global Markets Inc. will compensate Morgan Stanley Smith Barney LLC for its selling efforts in connection with their respective allocations of Series 2010A Certificates.

GENERAL PURPOSE FINANCIAL STATEMENTS

The general purpose financial statements of the District for the Fiscal Year ended June 30, 2009, included in this Offering Statement have been audited by KPMG LLP, independent certified public accountants, as stated in their report appearing in APPENDIX B. Such report is included as a public record and KPMG LLP was not requested to and has not performed any services in connection with the issuance of the Series 2010A Certificates.

CONTINGENT FEES

The Board has retained Special Counsel, Counsel to the Board, Disclosure Counsel, the Financial Advisor, the Underwriters (who in turn retained Underwriters' Counsel), the Trustee, Trustee's Counsel, and the Corporation has retained Counsel to the Corporation, with respect to the authorization, sale, execution and delivery of the Series 2010A Certificates. Payment of each fee of such professionals is each contingent upon the issuance of the Series 2010A Certificates.

CONTINUING DISCLOSURE

The Board has agreed and undertaken for the benefit of Series 2010A Certificate holders and in order to assist the Underwriters in complying with the continuing disclosure requirements of Rule 15c12-12 of the Securities Exchange Commission (the "Rule"), to provide certain financial information and operating data relating to the Board, the District and the Series 2010A Certificates in each year (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events, if material. Such undertaking shall only apply so long as the Series 2010A Certificates remain Outstanding under the Trust Agreement. The covenant shall also terminate upon the termination of the Rule by legislative, judicial or administrative action. The Annual Report will be filed annually by the Board or its dissemination agent pursuant to the undertaking with each Nationally Recognized Municipal Securities Information Repository ("NRMSIR") which currently consists of only the Electronic Municipal Market Access (EMMA) system, as described in the Continuing Disclosure Certificate. The notices of material events will be filed with each NRMSIR. The specific nature of the information to be contained in the Annual Report and the notices of

material events, are described in the Continuing Disclosure Certificate. See "APPENDIX I - FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto.

With respect to the Series 2010A Certificates, no party other than the Board is obligated to provide, nor is expected to provide, any continuing disclosure information with respect to the Rule. The Board has complied with its continuing disclosure undertakings for each of the past five years.

ACCURACY AND COMPLETENESS OF OFFERING STATEMENT

The references, excerpts, and summaries of all documents, statutes, and information concerning the Board and the Projects 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 2010A Certificates, the security for the payment of the Series 2010A 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 2010A 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 of Hillsborough County, Florida. At the time of delivery of the Series 2010A 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 DTC and its book-entry only system as to which no opinion will be expressed), as of its date and as of the date of delivery of the Series 2010A Certificates, contains an untrue statement of a material fact or omits to state a material fact which should be included therein for the purposes for which the Offering Statement is intended to be used, or which is necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading.

SCHOOL BOARD OF HILLSBOROUGH
COUNTY, FLORIDA

/s/ Susan L. Valdes

Chair

/s/ MaryEllen Elia

Superintendent

APPENDIX A

GENERAL INFORMATION RELATING TO HILLSBOROUGH COUNTY

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APPENDIX A

GENERAL INFORMATION REGARDING HILLSBOROUGH COUNTY

The County

Hillsborough County (the "County") was established on January 25, 1834. The County is located on central Florida's western coast between Tampa Bay on the west and Polk County on the east. The County is bounded to the north by Pasco County and to the south by Manatee County. In area, it is the seventh largest county in the State of Florida. Hillsborough County covers a total area of 1,068 square miles, of which 41.9 square miles is water area. The County is part of a four-county Metropolitan Statistical Area (MSA) referred to as Tampa, St. Petersburg-Clearwater MSA.

Tampa, Plant City and Temple Terrace are the three incorporated cities in the County. Tampa, the largest incorporated city, is the County seat and also a center of international, national, and intrastate commerce. The Tampa International Airport and the Port of Tampa connect Hillsborough County to other major cities in the nation and major markets throughout the world.

Government

Hillsborough County operates under a home-rule charter enacted by the voters on September 20, 1983. Under the charter, the Board of County Commissioners (the "BOCC") consists of seven Commissioners; three elected county-wide and four elected from single member districts. As a result of this charter, each voter has a chance to influence the election of a majority of board members. The BOCC is restricted to performing the legislative functions of government and developing policy for the management of Hillsborough County. The County Administrator, appointed by the BOCC, together with her staff, is responsible for implementing these policies throughout the County.

In addition to the members of the BOCC, there are five elected Constitutional Officers: the Clerk of Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector.

The County provides a variety of services characteristic of local multi-purpose governments including law enforcement, maintenance of roads and bridges, animal services, social services programs, planning and growth management, environmental protection, fire protection and emergency rescue, consumer protection, parks and recreation programs, mosquito control, employment services, emergency disaster preparedness, traffic control, water/wastewater utilities, solid waste disposal, medical examiner services, agricultural cooperative extension services, children's services, indigent health care, public assistance programs, aging services programs, emergency medical services, and library services.

In addition to their legislative duties, members of the BOCC serve as the County's Environmental Protection Commission. Individual members of the BOCC also take turns

serving on various boards, authorities and commissions such as the Children's Board, Tampa Bay Regional Planning Council, Metropolitan Planning Organization, Hillsborough County Tourist Development Council, Tampa Bay Water, Tampa Port Authority, Hillsborough County Aviation Authority, Hillsborough Area Regional Transit Authority, Hillsborough County Public Transportation Commission, Tampa-Hillsborough County Expressway Authority, Tampa Bay Area Regional Transportation Authority, Tampa Sports Authority, Arts Council of Hillsborough County, Value Adjustment Board, Hillsborough County Hospital Authority, Council of Governments and the Committee of 100 of the Greater Tampa Chamber of Commerce.

Population

Hillsborough County is the fourth most populous county in the state of Florida. As of April 2008, the County's population was 1,224,520, an increase of approximately 1.6 percent from 2007. Between 2000 and 2008, the County's population increased by 22.6 percent. Hillsborough County's population is projected to be 1,394,600 by the year 2015.

A majority of the County's 2008 population (815,910 or 66.6 percent) lives in the unincorporated part of the County. Population grew at an average annual percentage rate of 3.2 percent between year 2000 and 2008 in unincorporated Hillsborough County. Communities in unincorporated Hillsborough County with increasing population growth were Balm/Wimauma, Ruskin/Greater Sun City Center, Thonotosassa and Tampa Palms/Hunter's Green. The median age for Hillsborough County in 2007 was 36.

	<u>Population</u>	<u>Increase</u>
1950 (a)	249,894	--
1960 (a)	397,788	59.2%
1970 (a)	490,265	23.2
1980 (a)	646,960	32.0
1990 (a)	834,054	28.9
2000 (b)	998,948	4.3
2001 (b)	1,027,436	2.9
2002 (b)	1,055,807	2.8
2003 (b)	1,083,520	2.6
2004 (b)	1,115,960	3.0
2005 (b)	1,142,850	2.4
2006 (b)	1,177,060	3.0
2007 (b)	1,204,770	2.4
2008 (b)	1,224,520	1.6

Hillsborough County's population in the year 2008 exceeded the population of each of the following states: Alaska, Delaware, Montana, North Dakota, South Dakota, Vermont and Wyoming.

Sources: (a) U. S. Census Bureau.

(b) Hillsborough County City-County Planning Commission, estimate.

**Hillsborough County, State of Florida, United States Population by Age
1990 and 2000**

<u>Age</u>	<u>Hillsborough County</u>		<u>Florida</u>		<u>United States</u>	
	<u>1990</u>	<u>2000</u>	<u>1990</u>	<u>2000</u>	<u>1990</u>	<u>2000</u>
0 – 14	179,480	212,554	2,412,069	3,034,565	53,567,871	60,253,375
15 – 24	120,985	133,655	1,669,825	1,942,377	36,774,327	39,183,891
25 – 44	284,369	316,603	3,927,400	4,569,347	80,754,835	85,040,251
45 – 64	156,087	216,463	2,559,201	3,628,492	46,371,009	61,952,636
65 and over	<u>102,133</u>	<u>119,673</u>	<u>2,369,431</u>	<u>2,807,597</u>	<u>31,241,831</u>	<u>34,991,753</u>
Total	843,054	998,948	12,937,926	15,982,378	248,709,873	281,421,906

Source: Bureau of the Census.

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Employment Indicators

Hillsborough County has a diversified economic base, including large service, manufacturing and retail trade sectors. Hillsborough County's largest industrial sectors include the Administration/Support/Waste Management & Remediation Services, Retail Trade, and the Health Care and Social Assistance sectors. The principal employers serving the county are the Hillsborough County School Board and the Hillsborough County Government. The vast majority of the county's labor force was employed in non-agricultural jobs in 2007.

<u>Employment By Industry</u>	<u>Employees</u>
Agriculture, Forestry, Fishing & Hunting	12,620
Construction	42,251
Manufacturing	32,069
Transportation, Warehousing, & Utilities	20,357
Wholesale Trade	32,920
Retail Trade	72,902
Leisure and Hospitality	59,322
Education and Health Services	68,869
Information	22,554
Financial, Insurance & Real Estate	61,341
Mining	444
Professional and Business Services	172,660
Self-Employed and Unpaid Family Workers	64,697
Other Services (Except Government)	21,913
Government	79,148
Total, All Industries	<hr/> 764,067 <hr/>

Sources: Hillsborough City-County Planning Commission; Florida Agency for Workforce Innovation, Labor Market Statistics Center

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The following table shows the average civilian (non-military) labor force, the average number of individuals employed and related unemployment statistics for the County:

Calendar Year*	Hillsborough County				Florida	National
	Labor Force	Number Employed	Number Unemployed	Unemployment Rate	Unemployment Rate	Unemployment Rate
1998	555,738	539,804	15,934	2.9%	4.5%	4.5%
1999	574,327	558,662	15,665	2.7	4.0	4.2
2000	528,979	511,734	17,245	3.3	3.8	4.0
2001	536,841	518,554	22,287	4.2	4.7	4.7
2002	543,421	514,371	29,050	5.3	5.7	5.8
2003	549,815	521,920	27,895	5.1	5.3	6.0
2004	566,827	542,298	24,529	4.3	4.7	5.5
2005	583,343	562,139	21,204	3.6	3.9	5.1
2006	599,481	579,860	19,621	3.3	3.4	4.6
2007	610,845	586,639	24,206	4.0	4.0	4.6
2008	605,536	567,848	37,688	6.3	6.0	5.8

*Final 2009 numbers are not available; however October 2009 unemployment rates have been reported as 11.5%, 11.2% and 10.2 for Hillsborough County, the State of Florida and the United States, respectively.

Sources: Florida Agency for Workforce Innovation, Labor Market Statistics; Hillsborough County City-County Planning Commission.

Banking and Finance

A total of 294 commercial and savings bank offices were located in Hillsborough County as of December 2007. Commercial bank offices accounted for 85.7% or 252 of the total number of banks in the County in 2007. A count of 42 savings and loan offices were recorded for the County in 2007. Commercial and savings bank deposits totaled \$16.9 billion in 2006 to \$18.5 billion in 2007, an increase of 9.5%. The following table presents commercial and savings bank deposits for each of the past ten years:

<u>Calendar Year</u>	<u>Commercial Bank Deposits</u>	<u>Savings Bank Deposits</u>	<u>Total Deposits</u>
1998	\$7,962,621,000	\$310,557,000	\$8,273,178,000
1999	8,643,245,000	310,031,000	8,953,276,000
2000	10,975,755,000	419,541,000	11,395,296,000
2001	11,039,919,000	426,478,000	11,466,397,000
2002	11,455,835,000	453,407,000	11,909,242,000
2003	11,923,127,000	484,111,000	12,407,238,000
2004	15,821,358,000	620,451,000	16,441,809,000
2005	16,710,927,000	737,413,000	17,448,340,000
2006	15,962,045,000	932,081,000	16,894,126,000
2007	17,700,003,000	802,804,000	18,502,807,000

Sources: Florida Bankers Association; Hillsborough County City-County Planning Commission.

Medical Facilities

There are thirteen general, specialty, and military hospitals in Hillsborough County with approximately 3,649 hospital beds, 3,128 acute care beds, 521 specialty beds, and 4,001 nursing home beds. The County's medical resources include more than 3,050 physicians and surgeons, with specialists in all types of medicine and surgery, 598 dentists, and 12,892 registered and practical nurses.

Sources: Florida Department of Health; Florida Agency for Health Care Administration

Transportation

Tampa International Airport (TIA) is a major airport for the west central region of Florida serving primarily Hillsborough, Pinellas (which includes the cities of St. Petersburg and Clearwater), Pasco, Manatee, Polk, and Hernando Counties.

TIA, a facility of approximately 3,400 acres, is used primarily for commercial aviation by certified scheduled airlines. TIA is primarily an origin-destination airport and the service region is a large air traffic hub, as defined by the Federal Aviation Administration. Domestic passenger traffic enplaned at the airport accounted for 1.4% of the total United States domestic passenger traffic, according to the airport activity statistics published by the U.S. Department of Transportation for the twelve months ended September 30, 2007. TIA is highly regarded for its efficiency and passenger convenience receiving numerous awards over the years.

TIA is presently served by seventeen majors/nationals, six regional/commuters, and four foreign flag carriers as defined by the U.S. Department of Transportation. Three general aviation airports serve as reliever airports, primarily to accommodate light and medium weight aircraft in the general aviation category. These include Peter O. Knight Airport, a 139-acre facility located six miles southeast of TIA; Plant City Airport, a 199-acre facility located 22 miles east of TIA; and Vandenberg Airport, a 407-acre facility located 12 miles east of TIA. In addition, there are two full service general aviation executive terminals located at the Airport.

AMTRAK provides passenger rail service to major cities throughout the United States. This rail service is provided by the Palmetto and Silver Services Trains (the Silver Meteor and the Silver Star) which offer service between Florida, Georgia and New York City. The restored Tampa Union Station has seven northbound and seven southbound departures on AMTRAK weekly.

Freight rail service is provided to the County by CSX Transportation Systems. CSX rail units possess some of the world's most technologically advanced terminal equipment and operate on regular schedules throughout the network. Major transports include coal, wood products, phosphate, chemicals, construction materials, semi-tractor trailers, automobiles, and automobile products.

The Hillsborough Area Regional Transit Authority (HART) is Hillsborough County's public transportation system. HART offers local and express routes for residents and visitors

alike. Local service seven days a week provides access to area shopping malls, businesses, government buildings, attractions and recreational facilities. An estimated 11 million riders use the system annually.

The County is also served by numerous intrastate and interstate motor common carriers, moving goods between Tampa, other points in Florida, and markets throughout the United States. Tampa is the transportation hub of the west coast of Florida with major trucking firms maintaining terminals serving Florida and major southern cities.

Three interstates and seven other major highways serve the County. All parts of Florida and bordering states to the north and west can be reached within one day of travel by truck or automobile.

Sources: Hillsborough County Aviation Authority; Amtrak, www.amtrak.com; Greater Tampa Chamber of Commerce - Committee of One Hundred

Port Facilities

The Port of Tampa is a significant economic engine in West Central Florida. Designated as a Foreign Trade Zone (FTZ No. 79), the port handles nearly 50 million tons of cargo each year and is Florida's largest cargo volume seaport. The 5,000 acre Port is home to about 250 businesses and more than 22,000 workers which handle 3,500 vessel calls per year. With a 43-foot deep main channel and one of the largest shipbuilding and repair centers in Florida, the Port is a full-service facility for shipping lines and is the closest major U.S. port to the Panama Canal. The Port also hosts North America's largest dockside cold storage terminal. Proximity to Mexico, the Caribbean cruise market, and rapidly developing Central and South American markets makes the Port of Tampa a gateway to several destinations both inbound and outbound.

Seventy-five percent of Port cargo is inbound, and with its location on the west end of Florida's Interstate 4 corridor, the Port is ideally located to supply booming in-state demands for construction materials, commodities and consumer products.

Port officials have worked closely with the community to develop a dynamic downtown waterfront. In 2001, the Port completed "Channelside," an entertainment complex opened on the waterfront just a short walk from the Port of Tampa's cruise facilities. Channelside has a multiplex cinema, an IMAX theater, and lots of entertainment, shopping, and restaurants all in a comfortable seaside atmosphere.

Sources: Tampa Port Authority, www.tampaport.com; Greater Tampa Chamber of Commerce - Committee of One Hundred

Military Facilities

MacDill Air Force Base is located eight miles south of downtown Tampa on the Southwestern tip of the Interbay Peninsula on the west coast of Florida. The host organization is the 6th Air Mobility Fueling Wing, which uses KC-135 Stratotankers and C-37As to conduct its

air mobility mission. MacDill Air Force Base is headquarters for two non-aviation units: the United States Central Command and the United States Special Operations Command. It is also home to the National Oceanic and Atmospheric Administration, along with 47 other tenant units. The total number of jobs supported includes nearly 12,000 military and over 7,000 civilian employees.

Source: MacDill Air Force Base

Housing (Standing Units)

Housing units in the County are shown in the table below.

Hillsborough County Housing Characteristics 2002-2008

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008*</u>
Single Family Detached	253,345	259,845	267,871	274,581	283,733	287,771	291,353
Single Family Attached	34,159	35,692	37,380	39,675	43,266	47,788	51,180
Apartments	120,478	123,061	126,593	129,243	129,942	131,074	132,044
Mobile Homes	<u>43,631</u>	<u>43,950</u>	<u>44,307</u>	<u>44,580</u>	<u>44,942</u>	<u>45,093</u>	<u>45,246</u>
Total	451,613	462,548	476,151	488,079	501,305	511,726	519,823

* As of April 2009.

Source: Hillsborough County City-County Planning Commission.

Housing (Permits Issued)

Building permit activity in the County is shown in the table below.

Hillsborough County New Residential Units 2002-2008

<u>Year</u>	<u>Single Family Detached</u>	<u>Single Family Attached</u>	<u>Apartments</u>	<u>Mobile Homes</u>	<u>Total</u>
2002	7,855	1,936	2,720	287	12,798
2003	8,481	2,074	4,772	254	15,581
2004	9,012	2,797	1,758	252	13,819
2005	9,339	6,318	1,483	304	17,444
2006	6,171	5,317	2,355	196	14,039
2007	3,420	2,468	2,108	119	8,115
2008	2,391	1,192	2,845	111	6,539

Source: Hillsborough County City-County Planning Commission.

APPENDIX B

**COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE
SCHOOL DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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COMPREHENSIVE ANNUAL FINANCIAL REPORT



SCHOOL DISTRICT
OF
HILLSBOROUGH COUNTY, FLORIDA

FISCAL YEAR ENDED
JUNE 30, 2009

MaryEllen Elia
Superintendent of Schools

Susan L. Valdes, Chair Doretha W. Edgecomb, Vice Chair
Jennifer Faliero April Griffin Carol W. Kurdell
Jack R. Lamb, Ed.D. Candy Olson

COMPREHENSIVE ANNUAL FINANCIAL REPORT

of

The School District of
Hillsborough County, Florida

For the

Fiscal Year Ended June 30, 2009



Issued by:

MaryEllen Elia, Superintendent of Schools

Prepared by:

Division of Business
Gretchen Saunders, Chief Business Officer
Ed Nicholson, Manager of District Accounting

The School District of Hillsborough County
901 East Kennedy Boulevard
Tampa, Florida 33601



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
SCHOOL DISTRICT OF HILLSBOROUGH COUNTY
For the Fiscal Year Ended June 30, 2009**

TABLE OF CONTENTS

<u>INTRODUCTORY SECTION (unaudited)</u>	<u>PAGE</u>
Letter of Transmittal	i - iv
Principal Officials - Elected	v
Other Principal Officials - Appointed	vi
Organizational Chart	vii
Certificate of Achievement	viii
 <u>FINANCIAL SECTION</u>	
Independent Auditors' Report	1 - 2
Management's Discussion and Analysis (unaudited)	3 - 10
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Assets	13
Statement of Activities	14 - 15
Fund Financial Statements:	
Balance Sheet – Governmental Funds	16 - 17
Reconciliation of the Governmental Funds Balance Sheet To the Statement of Net Assets	19
Statement of Revenues, Expenditures and Changes In Fund Balances – Governmental Funds	20 - 23
Reconciliation of the Statement of Revenues, Expenditures and Changes In Fund Balances of Governmental Funds to the Statement of Activities	25
Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual – General Fund	26 - 27

COMPREHENSIVE ANNUAL FINANCIAL REPORT
SCHOOL DISTRICT OF HILLSBOROUGH COUNTY
For the Fiscal Year Ended June 30, 2009

TABLE OF CONTENTS

<u>FINANCIAL SECTION (continued)</u>	<u>PAGE</u>
Basic Financial Statements (continued)	
Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual – Major Special Revenue Fund – Contracted Services	28 - 29
Statement of Net Assets – Proprietary Funds.....	30
Statement of Revenues, Expenses and Changes in Net Assets – Proprietary Funds	31
Statement of Cash Flows – Proprietary Funds	32
Statement of Fiduciary Net Assets – Fiduciary Funds.....	33
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds.....	34
Notes to Financial Statements	35 - 67
Required Supplementary Information (unaudited)	
Schedule of Funding Progress – Supplemental Early Retirement Pension Trust	68
Schedule of Employer Contributions – Supplemental Early Retirement Pension Trust	69
Schedule of Funding Progress – Post Employment Health Care Benefits.....	70
Schedule of Employer Contributions – Post Employment Health Care Benefits	71
Other Supplementary Information	
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet – Non Major Governmental Funds.....	76 - 79
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non Major Governmental Funds	80 - 83
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – Non Major Special Revenue Funds	85
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – Debt Service Funds	86 - 88
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – Capital Projects Funds.....	90 - 95

COMPREHENSIVE ANNUAL FINANCIAL REPORT
SCHOOL DISTRICT OF HILLSBOROUGH COUNTY
For the Fiscal Year Ended June 30, 2009

TABLE OF CONTENTS

<u>FINANCIAL SECTION (continued)</u>	<u>PAGE</u>
Other Supplementary Information (continued)	
Combining Statement of Net Assets – Internal Service Funds.....	98 - 99
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets – Internal Service Funds	100 - 101
Combining Statement of Cash Flows – Internal Service Funds	102 - 103
Combining Statement of Changes in Assets and Liabilities – Agency Funds...	106 - 109
Component Units:	
Statement of Net Assets – Discretely Presented Component Units.....	112 - 115
Statement of Activities – Discretely Presented Component Units	116 - 119
STATISTICAL SECTION (unaudited)	
Financial Trend Information	
Net Assets by Component – Government-Wide	122 - 123
Changes in Net Assets – Government-Wide	124
Governmental Activities Tax Revenues by Source	125
Fund Balances of Governmental Funds	126 - 127
Changes in Fund Balances of Governmental Funds	128 - 131
Revenue Capacity Information	
General Governmental Tax Revenues by Source	132
Assessed and Estimated Actual Value of Taxable Property	133
Property Tax Rates – Direct and Overlapping Governments	134 - 135
Principal Property Tax Payers.....	136 - 137
Property Tax Levies and Collections	138

COMPREHENSIVE ANNUAL FINANCIAL REPORT
SCHOOL DISTRICT OF HILLSBOROUGH COUNTY
For the Fiscal Year Ended June 30, 2009

TABLE OF CONTENTS

<u>STATISTICAL SECTION (unaudited) (continued)</u>	<u>PAGE</u>
Debt Capacity Information	
Ratios of Outstanding Debt by Type.....	139
Ratio of Net General Bonded Debt Outstanding	140
Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total General Governmental Expenditures	141
Direct and Overlapping Governmental Activities Debt	142
Anticipated Capital Outlay Millage Levy Required to Cover Certificates Of Participation Payments.....	143
Calculation of Legal Debt Margin	144 - 145
Demographic and Economic Information	
Demographic and Economic Statistics	146 - 147
Principal Employers	148 - 149
Operating Information	
School Building Information and Full-Time Equivalent Enrollment Data	150 - 159
Number of Personnel	160
Teacher Base Salaries	161
Food Service Operating Data	162

Introductory Section



School Board

Susan L. Valdes, Chair
 Doretha W. Edgecomb, Vice-Chair
 Jennifer Faliero
 April Griffin
 Carol W. Kurdell
 Jack R. Lamb, Ed.D.
 Candy Olson



Superintendent of Schools
 MaryEllen Elia

December 8, 2009

Dear Chair Valdes and School Board Members:

The Comprehensive Annual Financial Report ("CAFR") of the School District of Hillsborough County, Florida, (the District) for the fiscal year ended June 30, 2009, is hereby submitted. These financial statements are presented in conformity with generally accepted accounting principles (GAAP) and are audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards" issued by the Comptroller General of the United States by a firm of licensed certified public accountants.

Responsibility for both the accuracy of the data, and completeness and fairness of the presentation, including all disclosures, rests with the District's management. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The District's financial statements have been audited by KPMG LLP, a firm of licensed certified public accountants. The objective of the independent audit is to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2009, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the District's financial statements for the fiscal year ended June 30, 2009, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A), which should be read in conjunction with the financial statements. The District's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The District School Board of Hillsborough County, Florida (School Board) has direct responsibility for the operation, control, and supervision of District schools and is considered a primary government for financial reporting purposes. The Hillsborough County School District is a part of the Florida system of public education. The governing body of the school district is the Hillsborough County District School Board that is composed of seven (7) elected members. The appointed Superintendent of Schools is the executive officer of the Board. Geographic boundaries of the District correspond with those of Hillsborough County.

The CAFR contains the audited financial statements for all operations over which the School Board is financially accountable. Various potential component units were evaluated to determine whether they should be considered as part of the District's reporting entity. Accordingly, the financial statements include the Hillsborough Leasing Corporation (the Corporation). The Corporation was formed by the School Board solely for the purpose of acting as lessor, with the School Board acting as lessee, to finance the acquisition and/or construction of certain facilities, vehicles and equipment to be used in district operations. The members of the School Board serve as the Board of Directors of the Corporation. In addition, included in the reporting entity are the Hillsborough Education Foundation (the Foundation), a broadly based, non-profit direct-support organization of the School Board, and the Charter Schools that are separate not for profit corporations organized under Section 1002.33, Florida Statutes. Both the Foundation and the Charter Schools are included as discretely presented component units in the accompanying financial statements. Additional information on these component units can be found in the notes to the financial statements.

The District provides a full range of educational programs in Hillsborough County. These include early childhood, kindergarten through 12th grade, basic and enriched programs, and exceptional student education. The District also provides vocational and adult programs.

Hillsborough County is the 3rd largest school district in Florida and the 8th largest in the United States with close to 190,000 K-12 students.

The annual budget serves as the foundation for the District's financial planning and control. The District establishes and maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the School Board. Activities of the General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds are included in the annual appropriations budget. Although project length financial plans are adopted for the Capital Project Funds, the funding is contingent upon the annual budget adoption. Budgetary control is maintained for individual accounts or group of accounts within each school or department through the use of an encumbrance accounting system. This process tests for availability of funds, which precludes a requisition for services, equipment, supplies or materials from becoming a purchase order if the account would be overspent.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the District operates.

Economy. While the District is heavily reliant upon state funding for the core of the educational programs within the District, and while the economic conditions of the nation and state interact with state funding adequacy and availability, the economic outlook for the District is consistent with the national situation. The State of Florida is heavily dependent upon sales tax collections and tourism. In addition, the community within the District is wholly supportive of the educational program, as evidenced by the contribution of money, time and effort. Any funding fluctuations will mean that new programs, innovative initiatives and educational enhancements may not be available within the desired time frames, but the positive improvements will continue to occur.

In addition, the Board, Superintendent and staff are acutely aware of the perils of interrupted revenue receipts. Prudent business practices, accompanied by statutes mandating balanced budgets, result in a continual review of the financial condition of the District.

Cash Management Policies and Practices. The goal of the District is to maximize yield and minimize risk of invested funds. By policy, all idle funds may only be invested with the State Board of Administration in the local government surplus trust funds or with a local intergovernmental pool. In February 2008, the Board approved investing in "AAA": rated money markets. Funds made available through the issuance of long-term debt shall be invested with an approved national investment firm or banking institution selected through a request-for-proposal process under the terms and conditions contained therein, to include permitted securities as authorized by Florida statute. State Statutes limit the investment vehicles that may be utilized to United States Government obligations. Idle funds in bank accounts are, under the terms of a banking contract, invested in government securities that must provide a minimum of the federal funds overnight interest rate.

Risk Management. The primary method of risk financing is the self-insurance programs reported in the internal service funds. The fund provides a maximum of \$200,000 for each auto and general liability claim and \$100,000 to \$500,000 for each worker's compensation claim. By State Statute, \$200,000 is generally the maximum the Board can be liable for auto and general liability claims.

It should be noted that as a result of an actuarial study of the various self-insurance programs it was determined that the funded reserves are adequate to cover the liabilities recorded.

Pension and Other Post Employment Benefits. The District participates in the Florida Retirement System, which is a State administered cost-sharing multiple-employer defined benefit retirement plan. The District, in addition to participating in the Florida Retirement System, had established a non-contributory Supplemental Early Retirement Plan. In fiscal year 2009 there were 538 retirees and beneficiaries receiving benefits. The contribution made to the plan for fiscal 2009 was \$1,707,456. The District Supplemental Early Retirement program has been discontinued for all employees, except teachers and educational support personnel, as of June 30, 2008. Teachers and educational support personnel can petition the committee until June 30, 2010, if they wish to participate in this program.

Awards and Acknowledgements.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its CAFR for the fiscal year ended June 30, 2008. This was the eighth consecutive year that the District received this prestigious award. In order to be awarded a Certificate of Achievement, the District must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this CAFR could not have been accomplished without the efficient and dedicated services of the staff of the Accounting Office. We would like to express our appreciation to all members of the Business Division who assisted and contributed to its preparation.

Sincerely,

MaryEllen Elia
Superintendent

Gretchen Saunders
Chief Business Officer
Business Division

Ed Nicholson
Manager of District Accounting

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA

Principal Officials - Elected

**Board Members – Terms of Office
As of December 8, 2009**

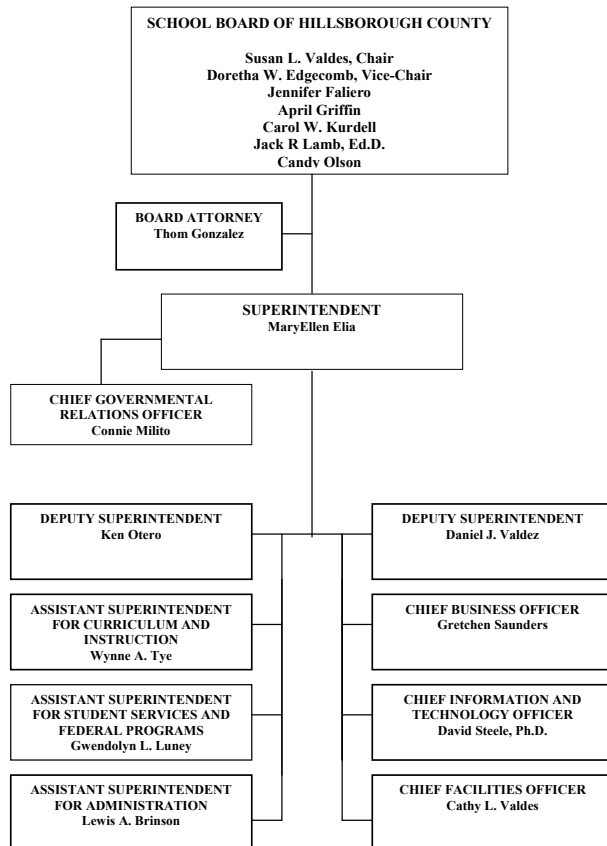
Mrs. Susan L. Valdes, Chair Member from District 1 Present term began Present term expires Began as a Board member	November, 2008 November, 2012 November, 2004
Mrs. Doretha W. Edgecomb, Vice Chair Member from District 5 Present term began Present term expires Began as a Board member	November, 2008 November, 2012 November, 2004
Mrs. Jennifer Faliero Member from District 4 Present term began Present term expires Began as a Board member	November, 2006 November, 2010 November, 2002
Mrs. April Griffin Member from District 6 (at large) Present term began Present term expires Began as a Board member	November, 2006 November, 2010 November, 2006
Mrs. Carol W. Kurdell Member from District 7 (at large) Present term began Present term expires Began as a Board member	November, 2008 November, 2012 November, 1992
Mr. Jack R. Lamb, Ed.D. Member from District 3 Present term began Present term expires Began as a Board member	November, 2008 November, 2012 November, 2000
Mrs. Candy Olson Member from District 2 Present term began Present term expires Began as a Board member	November, 2006 November, 2010 November, 1994

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA

**Other Principal Officials - Appointed
As of December 8, 2009**

<u>Name</u>	<u>Title</u>
MaryEllen Elia	Superintendent of Schools
Ken Otero	Deputy Superintendent
Daniel J. Valdez	Deputy Superintendent
Gretchen Saunders	Chief Business Officer
Lewis A. Brinson	Assistant Superintendent for Administration
David J. Steele, Ph.D.	Chief Information and Technology Officer
Gwendolyn L. Luney	Assistant Superintendent for Student Services and Federal Programs
Wynne A. Tye	Assistant Superintendent for Curriculum and Instruction
Cathy L. Valdes	Chief Facilities Officer
Connie Milito	Chief Governmental Relations Officer

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
ORGANIZATIONAL CHART
AS OF DECEMBER 8, 2009



Certificate of Achievement for Excellence in Financial Reporting

Presented to
**School District of Hillsborough
 County, Florida**

For its Comprehensive Annual
 Financial Report
 for the Fiscal Year Ended
 June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



K. L. R.

President

Jeffrey R. Emen

Executive Director

Financial Section



KPMG LLP
Suite 1700
100 North Tampa Street
Tampa, FL 33602

Independent Auditors' Report

Honorable Chairperson and Members of the School Board
School District of Hillsborough County, Florida:

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the School District of Hillsborough County, Florida (the District), as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us and our opinion, insofar as it relates to the amounts included for the discretely presented component units, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2009, and the respective changes in financial position, and where applicable, cash flows thereof and the respective budgetary comparison for the general and contracted services funds for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2009 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2009

The management's discussion and analysis and the schedules of employer contributions and funding progress on pages 3 through 10 and 68 through 71 are not a required part of the basic financial statements but are supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual fund statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The information included in the introductory section and statistical section has not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

KPMG LLP

December 1, 2009
Certified Public Accountants

The School District of Hillsborough County's (the "District") management's discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the District's financial activity, (c) identify changes in the District's financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the District's financial statements (beginning on page 13). All amounts unless otherwise indicated, are expressed in thousands of dollars.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements have three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the District's finances in a manner similar to the corporate private sector. Governmental and business-type activities are consolidated into columns which add to a total for the Primary Government.

The Statement of Net Assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. This statement combines governmental fund's current financial resources (short-term spendable resources) with capital assets and long term obligations. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported when the underlying obligation/event giving rise to the change occurs, regardless of the timing of the related cash flows. This statement is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities and/or component units.

The government-wide financial statements include not only the District but its component units as well. The Hillsborough School Board Leasing Corporation, although also legally separate, functions for all practical purposes, as a department of the District, and therefore has been included as an integral part of the primary government. The Hillsborough County Education Foundation and several separate charter schools for which the District is financially accountable are included as discretely presented component units.

The government wide-financial statement can be found on pages 13 - 15 of this report.

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2009

Fund Financial Statements

Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Funds are established for various purposes and the Fund Financial Statement allows the demonstration of sources and uses and/or budgetary compliance associated therewith (beginning on page 16). All funds of the District can be divided into three major categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental funds focus on the sources and uses of liquid resources and balances of spendable resources available at the end of the fiscal year.

This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. Because the focus is narrower than that of government-wide financial statements, it is useful to compare it to the information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Reconciliation between the government-wide and the governmental fund financial information is necessary because of the different measurement focus (current financial resources versus total economic resources); such reconciliation is reflected on the page following each statement (see pages 19 and 25). The flow of current financial resources reflects bond proceeds and interfund transfers as other financing sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation eliminates these transactions and incorporates the capital assets and long-term obligations (bonds and others) into the governmental activities column in the government-wide statements.

The District maintains thirteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Contracted Services Fund, Other Debt Service Fund, Local Capital Improvement Fund, Certificates of Participation Fund and Other Capital Projects Fund that are considered to be major funds. Data from the other seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

During the year ended June 30, 2008, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 45, Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions. Because these services benefit governmental functions, they have been included within governmental activities in the government-wide financial statements.

The District adopts an annual appropriated budget for all of its governmental funds.

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2009

Proprietary Funds

The District maintains an internal service fund as its only proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses internal service funds to account for its group health, workers compensation, and liability self-insurance activities. .

The basic proprietary fund statements can be found on pages 30 – 32.

Fiduciary Funds

The District is the trustee, or fiduciary, for its employee pension plans. It is also responsible for other assets that, because of a trust agreement, can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. The District excludes these activities from the government-wide financial statements because the District cannot use these assets to finance its operations.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on page 35 – 67 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of an entities financial position. In the case of the District, assets exceeded liabilities by \$1,858,495 at the end of the current fiscal year.

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2009

By far the largest portion of the District's net assets (69 percent) reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

	Governmental Activities 2009	Governmental Activities 2008
Current and other assets	\$ 987,796	\$ 1,161,054
Capital assets	2,418,067	2,277,794
Total assets	<u>3,405,863</u>	<u>3,438,848</u>
Long-term liabilities outstanding	1,359,602	1,378,425
Other liabilities	187,766	206,077
Total liabilities	<u>1,547,368</u>	<u>1,584,502</u>
Net assets:		
Invested in capital assets, net of related debt	1,281,259	1,221,625
Restricted	334,538	352,028
Unrestricted	242,698	280,693
Total Net Assets	<u>\$ 1,858,495</u>	<u>\$ 1,854,346</u>

An additional portion of the District assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets is \$242,698. Unrestricted net assets may be used to meet the Districts ongoing obligations to citizens and creditors.

The District's net assets increased by \$4,149 during the current year and the unrestricted net assets decreased by \$37,995. The increase in net assets is due in part to the increase of capital assets.

The total increase in net assets was less than last years because the increase in expenses was not offset by an equal increase in revenues.

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2009

Governmental Activities

Governmental activities increased the District's net assets by \$4,149. Key elements of this increase are as follows:

	Governmental Activities 2009	Governmental Activities 2008
Revenues:		
Program revenues:		
Charges for services	\$ 54,392	\$ 53,891
Operating grants and contributions	95,479	88,182
Capital grants and contributions	24,745	70,559
General revenues:		
Property taxes, levied for operational purposes	517,236	467,057
Property taxes, levied for capital projects	150,328	169,121
Local sales taxes	22,892	24,765
Grants and contributions not restricted to specific programs	1,035,072	1,124,991
Investment earnings	844	30,668
Miscellaneous	39,172	39,280
Total revenues	<u>1,940,160</u>	<u>2,068,514</u>
Expenses:		
Instructional services	1,039,995	1,015,155
Instructional support services	208,454	206,740
Pupil transportation services	68,086	67,755
Operation and maintenance of plant	138,449	135,825
Non-capitalizable facilities acquisition and construction	120,159	120,088
School administration	93,055	93,300
General administration	42,140	44,061
Food services	85,406	85,984
Community services and other	83,080	76,885
Interest on long term debt	56,862	59,426
Unallocated depreciation	325	299
Total expenses	<u>1,936,011</u>	<u>1,905,518</u>
Increase in net assets	4,149	162,996
Net assets beginning of year	1,854,346	1,691,350
Net assets end of year	<u>\$ 1,858,495</u>	<u>\$ 1,854,346</u>

Property taxes increased by \$31,386. This is due to the increase in the assessed value of property and the continued growth and construction in Hillsborough County.

Unrestricted grants and contributions revenue decreased by \$89,919, mostly due to the decrease of the Florida Education Finance Program (FEFP) contributions. Capital grants and contributions decreased \$45,814 due to the decrease in Class Size Reduction Capital Outlay Program.

For the most part the increase in expenses is due to the mandates of the State's voter approved Class Size Reduction Program, both in the Capital and the Operational Programs, which requires additional schools, classrooms, teachers and support personnel to achieve these mandates.

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2009

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related requirements.

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$771,709, a decrease of \$178,569 over the prior year. Of this total amount \$551,497 constitutes unreserved fund balance, which is available for spending to meet the District's needs in the corresponding fund types. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period (\$91,909), 2) to pay debt service (\$90,291), 3) to complete State carryover programs (\$14,611), 4) to complete other committed projects (\$19,005) and 5) reserve for inventory (\$4,396). The overall decrease in fund balance is due to the continued capital outlay expenditures, the increase costs of the instructional service, and the decrease in funding from the State.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$295,405, while total fund balance was \$341,841. The fund balance of the District's General Fund decreased by \$40,142 during the current fiscal year. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 20.11 percent of total general fund expenditures, while total fund balance represents 23.27 percent of that same amount. A portion of the District's unreserved fund balance is set aside for District designations. The decrease in fund balance is mainly due to the decrease in revenues from the FEFP. Many factors go into the FEFP, some factors include: The base student allocation dropped \$193.60 per student. Our student enrollment dropped in unweighted full time equivalent (FTE) students, resulting in a \$52,580 decrease in base FEFP funding.

The Contracted Services Fund had an increase in revenue due to the increase in funding of several ongoing federal grants.

The Other Debt Service Fund shows nearly the same fund balance as the prior year because the debt service payments are approximately equal over the years.

The Local Capital Improvement Fund had an increase of \$38,253 to fund balance to a total of \$154,575. The increase is due to the decrease in capital outlay expenditures out of this fund.

The Certificates of Participation Fund's total fund balance decreased \$111,046 to a total of \$76,954.

Other Capital Projects Fund had a decrease of fund balance of \$48,325 to a total of \$62,347.

The decreases to both The Certificates of Participation Fund and the Other Capital Fund were in part due to the expenditures incurred from ongoing construction of new schools and the renovation of others. Other Capital Projects Fund decrease was also due to the decrease of revenues from the Class Size Reduction Capital Outlay Program from fiscal 2008 to fiscal 2009.

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2009

General Fund Budgetary Highlights

During the fiscal year, the District revised its budget and brought amendments to the Board on a monthly basis. These amendments were needed to adjust to actual revenues and direct resources where needed. The original budget was prepared on a conservative basis for a few reasons. The State was predicting additional budget cuts and State revenue dollars were way under projections for fiscal year 2009. Also the student projections showed a decrease of 1,200 students for Hillsborough County. The Board approves the final amendment to the budget after year-end.

Budgeted expenditures increased \$242.94 million from the original budget to the final amended budget. The increases were due in part to, hiring new teachers and support personnel for the mandate to meet class size reduction, Board approved salary raises and the opening of new schools. Also a factor to the increase is the increased cost of property and health insurance.

Actual expenditures were \$253.6 million below the final amended budget. Unexpended appropriations of \$253.6 million were composed of the following: (1) \$8.4 million in encumbrances, (2) \$14.6 million in State categorical funds, (3) \$19.0 million in other earmarked funds and (4) \$211.6 million in other unexpended budget items. The \$211.6 million reflects only 12.3% of the final budget. In the normal course of business, some of the budget is left unspent, primarily due to temporarily unfilled positions and designations for long term financial planning.

Capital Assets and Debt Administration

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2009, amounts to \$2,418,067 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, improvements other than buildings, buildings and systems, and fixed equipment, furniture, fixtures and equipment, motor vehicles, and computer equipment.

	Governmental Activities 2009	Governmental Activities 2008
Land	\$ 151,351	\$ 150,816
Land improvements	70,164	59,331
Construction in progress	247,809	257,182
Improvements other than buildings	80,367	71,594
Buildings and systems	1,786,986	1,646,532
Furniture, fixtures and equipment	40,771	43,640
Motor vehicles	36,544	43,934
Property under lease	-	911
Audio visual materials	3	8
Computer software	4,072	3,846
Total capital assets	\$ 2,418,067	\$ 2,277,794

This years additions of \$232,519 included the construction of three (3) new schools which opened in fiscal year 2009, five (5) schools which are to be completed and opened in fiscal year 2010 and several renovation projects.

See note 5 to the financial statements for more information on the District's capital assets.

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2009

Long Term Debt

At the end of the current fiscal year the District had total borrowed and bonded debt outstanding of \$1,240,582, which is net of unamortized bond premiums and unamortized loss on bond refunding of (\$3,608).

	<u>2009</u>	<u>2008</u>
Capital leases	\$ -	\$ 454
Bonds payable	304,091	317,098
Certificates of participation	936,491	958,151
Total long term debt	<u>\$ 1,240,582</u>	<u>\$ 1,275,703</u>

The District's total borrowed and bonded debt decreased by \$35,121 (net of repayment of principal on outstanding debt) during the current fiscal year. The key factor in this decrease was the payment of principal and that the District did not issue any new debt.

The District has been given the following bond ratings:

	<u>Sales Tax Revenue Bonds</u>	
	<u>Insured</u>	<u>Underlying</u>
Moody's	A2	A2
Standard & Poors	A+	A+
Fitch IBCA	A-	A-
	<u>Certificates of Participation</u>	
	<u>Insured</u>	<u>Underlying</u>
Moody's	AA3	AA3
Standard & Poors	AA-	AA-
Fitch IBCA	A+	A+

See notes 7-11 to the financial statements for more information on the District's long-term debt.

Requests for Information

This financial report is designed to provide a general overview of the School District of Hillsborough County's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Accounting Department, 901 E. Kennedy Blvd. Tampa, Florida, 33602.



BASIC FINANCIAL STATEMENTS



THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

**STATEMENT OF NET ASSETS
JUNE 30, 2009
(amounts expressed in thousands)**

	<u>Primary Government</u>	
	<u>Governmental Activities</u>	<u>Component Units</u>
ASSETS:		
Cash	\$ 299,324	\$ 5,051
Investments	525,465	5,036
Accounts receivable, net	2,693	948
Due from other governmental agencies	143,515	526
Inventories	5,001	-
Deferred charges	11,798	925
Prepaid items	-	3,275
Capital Assets (net of accumulated depreciation):		-
Land	151,351	6,074
Land improvements	70,164	13
Construction in progress	247,809	345
Improvements other than buildings	80,367	127
Buildings and systems	1,786,986	19,738
Furniture, fixtures and equipment	40,771	1,119
Motor vehicles	36,544	39
Property under capital leases	-	35
Audio visual materials	3	216
Computer software	4,072	-
Total assets	<u>\$ 3,405,863</u>	<u>\$ 43,467</u>
LIABILITIES		
Accounts payable	\$ 68,049	\$ 1,675
Construction retainage payable	13,691	-
Salaries and wages payable	1,238	482
Accrued payroll taxes and withholdings	4,797	212
Accrued interest	21,003	-
Due to other governmental agencies	10,750	108
Deposits payable	1,420	-
Unearned revenue	10,109	371
Noncurrent liabilities:		
Due within one year	56,709	4,154
Due in more than one year	1,359,602	22,333
Total liabilities	<u>1,547,368</u>	<u>29,335</u>
NET ASSETS		
Invested in capital assets, net of related debt	1,281,259	2,364
Restricted for:		
Categorical carryover programs	14,611	-
Debt service	69,288	1,338
Capital outlay	226,185	-
Non categorical carryover programs	18,733	-
Other purposes	5,721	6,318
Unrestricted	242,698	4,112
Total net assets	<u>1,858,495</u>	<u>14,132</u>
Total liabilities and net assets	<u>\$ 3,405,863</u>	<u>\$ 43,467</u>

The notes to the financial statements are an integral part of this statement.

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(amounts expressed in thousands)**

Functions/Programs	Expenses	Charges for Services
Primary government:		
Governmental activities:		
Instructional services	\$ 1,039,995	\$ 19,922
Instructional support services	208,454	-
Pupil transportation services	68,086	2,912
Operation and maintenance of plant	138,449	-
Non capitalizable facilities acquisition and construction	120,159	-
School administration	93,055	-
General administration	42,140	-
Food services	85,406	31,558
Community services and other	83,080	-
Interest on long-term debt	56,862	-
Unallocated depreciation expense	325	-
Total governmental activities and primary government	<u>\$ 1,936,011</u>	<u>\$ 54,392</u>
Component units:		
Foundation and charter schools	\$ 48,083	\$ 2,256
Total component units	<u>\$ 48,083</u>	<u>\$ 2,256</u>

General Revenues:	
Property taxes, levied for operational purposes	
Property taxes, levied for capital projects	
Local sales taxes	
Grants and contributions not restricted to specific programs	
Investment earnings	
Miscellaneous	
Total general revenues	
Change in net assets	
Net assets - beginning	
Net assets - ending	

The notes to the financial statements are an integral part of this statement.

Program Revenues		Net (Expense) Revenue and Changes in Net Assets	
Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Units
\$ -	\$ -	\$ (1,020,073)	\$ -
-	-	(208,454)	-
35,813	-	(29,361)	-
-	-	(138,449)	-
-	18,174	(101,985)	-
-	-	(93,055)	-
-	-	(42,140)	-
59,666	-	5,818	-
-	-	(83,080)	-
-	6,571	(50,291)	-
-	-	(325)	-
<u>\$ 95,479</u>	<u>\$ 24,745</u>	<u>\$ (1,761,395)</u>	<u>\$ -</u>
\$ 1,422	\$ 869	-	(43,536)
<u>\$ 1,422</u>	<u>\$ 869</u>	<u>-</u>	<u>(43,536)</u>
		517,236	-
		150,328	-
		22,892	-
		1,035,072	40,137
		844	22
		39,172	837
		<u>1,765,544</u>	<u>40,996</u>
		4,149	(2,540)
		<u>1,854,346</u>	<u>16,672</u>
		<u>\$ 1,858,495</u>	<u>\$ 14,132</u>

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY**BALANCE SHEET****GOVERNMENTAL FUNDS****JUNE 30, 2009****(amounts expressed in thousands)**

	General	Contracted Services	Other Debt Service	Local Capital Improvement
ASSETS				
Cash	\$ 261,813	\$ 1,364	\$ 6	\$ 18,212
Investments	64,810	4	87,868	135,189
Accounts receivable	2,283	-	19	16
Due from other governmental agencies	31,841	12,045	1,673	8,248
Due from other funds	7,257	1,394	1,441	5,823
Inventories	4,396	-	-	-
Total assets	<u>\$ 372,400</u>	<u>\$ 14,807</u>	<u>\$ 91,007</u>	<u>\$ 167,488</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 11,903	\$ 6,641	\$ 1,440	\$ 10,963
Salaries and wages payable	1,238	-	-	-
Payroll deductions and withholdings	4,797	-	-	-
Due to other funds	1,478	6,149	-	1,950
Due to other governmental agencies	10,746	4	-	-
Deposits payable	8	-	1,412	-
Deferred revenue	389	2,013	-	-
Total liabilities	<u>30,559</u>	<u>14,807</u>	<u>2,852</u>	<u>12,913</u>
Fund balances				
Reserved for:				
State categorical carry-over programs	14,611	-	-	-
Encumbrances	8,424	-	-	29,221
Inventories	4,396	-	-	-
Debt service	-	-	88,155	-
Other purposes	19,005	-	-	-
Unreserved, reported in:				
General fund	295,405	-	-	-
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	125,354
Total fund balances	<u>341,841</u>	<u>-</u>	<u>88,155</u>	<u>154,575</u>
Total liabilities and fund balances	<u>\$ 372,400</u>	<u>\$ 14,807</u>	<u>\$ 91,007</u>	<u>\$ 167,488</u>

Certificates Of Participation	Other Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ 288	\$ 3,304	\$ 6,065	\$ 291,052
90,406	15,516	13,427	407,220
-	1	230	2,549
-	52,009	37,031	142,847
2	-	118	16,035
-	-	605	5,001
<u>\$ 90,696</u>	<u>\$ 70,830</u>	<u>\$ 57,476</u>	<u>\$ 864,704</u>
\$ 11,486	\$ 6,349	\$ 6,939	\$ 55,721
-	-	-	1,238
-	-	-	4,797
2,256	2,134	2,068	16,035
-	-	-	10,750
-	-	-	1,420
-	-	632	3,034
<u>13,742</u>	<u>8,483</u>	<u>9,639</u>	<u>92,995</u>
-	-	-	14,611
29,955	14,568	9,741	91,909
-	-	-	4,396
-	-	2,136	90,291
-	-	-	19,005
-	-	-	295,405
-	-	5,224	5,224
<u>46,999</u>	<u>47,779</u>	<u>30,736</u>	<u>250,868</u>
<u>76,954</u>	<u>62,347</u>	<u>47,837</u>	<u>771,709</u>
<u>\$ 90,696</u>	<u>\$ 70,830</u>	<u>\$ 57,476</u>	<u>\$ 864,704</u>

The notes to the financial statements are an integral part of this statement.



THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(amounts expressed in thousands)

Total Fund Balances - Governmental Funds	\$ 771,709
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	2,418,067
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	11,798
Internal service funds are used by management to charge the costs of certain activities such as insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	92,747
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds.	(1,401,132)
Accrued interest on long-term liabilities is not due and payable in the current period and therefore, is not reported in the funds.	(21,003)
Accrued retainage payable is not due and payable in the current period and therefore, is not reported in the funds.	(13,691)
Total Net Assets - Governmental Activities	\$ 1,858,495

The notes to the financial statements are an integral part of this statement.

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(amounts expressed in thousands)**

	General	Contracted Services	Other Debt Service	Local Capital Improvement
REVENUES				
Local sources:				
Ad valorem taxes	\$ 517,235	\$ -	\$ -	\$ 150,328
Local sales tax	-	-	22,892	-
Food services	-	-	-	-
Interest income	(6,045)	-	705	1,476
Other	51,604	361	-	1,418
Total local sources	562,794	361	23,597	153,222
State sources:				
Florida education finance program	518,746	-	-	-
Public education capital outlay	-	-	-	-
Categorical programs	302,285	-	-	-
Workforce development	32,392	-	-	-
Food services	-	-	-	-
Other	2,707	898	-	-
Total state sources	856,150	898	-	-
Federal sources:				
Food services	-	-	-	-
Federal grants direct	2,686	19,254	-	-
Federal grants through state	8,464	123,591	-	-
Federal grants through local	-	57,011	-	-
Total federal sources	11,150	199,856	-	-
Total revenues	1,430,074	201,115	23,597	153,222
EXPENDITURES				
Current:				
Instructional services:				
Basic programs	737,658	61,497	-	-
Exceptional child programs	156,201	15,895	-	-
Adult and vocational technical programs	56,847	4,452	-	-
Total instructional services	950,706	81,844	-	-
Instructional support services:				
Pupil personnel services	61,684	15,000	-	-
Instructional media services	21,974	2,665	-	-
Instruction and curriculum development services	19,616	25,589	-	-
Instructional staff training services	19,750	16,954	-	-
Instructional related technology	21,959	774	-	-
Total instructional support services	144,983	60,982	-	-
Pupil transportation services	65,127	819	-	-
Operation and maintenance of plant:				
Operation of plant	108,825	184	-	-
Maintenance of plant	30,024	16	-	-
Total operation and maintenance of plant	138,849	200	-	-
School administration	91,700	549	-	-
General administration:				
Central services	20,241	922	-	-
Board of education	1,357	-	-	-
General administration	5,710	4,428	-	-
Fiscal services	6,278	638	-	-
Administrative technology services	642	-	-	-
Total general administration	34,228	5,988	-	-

Certificates Of Participation	Other Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 667,563
-	-	-	22,892
-	-	31,549	31,549
3,356	281	144	(83)
-	11,748	155	65,286
3,356	12,029	31,848	787,207
-	-	-	518,746
-	-	16,962	16,962
-	-	-	302,285
-	-	-	32,392
-	-	1,470	1,470
-	2,486	8,124	14,215
-	2,486	26,556	886,070
-	-	58,220	58,220
-	-	-	21,940
-	-	-	132,055
-	-	-	57,011
-	-	58,220	269,226
3,356	14,515	116,624	1,942,503
-	-	-	799,155
-	-	-	172,096
-	-	-	61,299
-	-	-	1,032,550
-	-	-	76,684
-	-	-	24,639
-	-	-	45,205
-	-	-	36,704
-	-	-	22,733
-	-	-	205,965
-	-	-	65,946
-	-	-	109,009
-	-	-	30,040
-	-	-	139,049
-	-	-	92,249
-	-	-	21,163
-	-	-	1,357
-	-	-	10,138
-	-	-	6,916
-	-	-	642
-	-	-	40,216

(Continued)

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY
**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(amounts expressed in thousands)**

	General	Contracted Services	Other Debt Service	Local Capital Improvement
Facilities acquisition and construction	576	84	-	29,606
Food services	561	-	-	-
Community services and other	36,120	46,918	-	-
Debt Service:				
Principal retirement	-	-	30,930	-
Interest	-	-	55,337	-
Dues, fees and other	-	-	1,293	-
Capital outlay				
Facilities acquisition and construction	717	362	-	34,343
Other capital outlay	5,658	3,428	-	-
Total expenditures	1,469,225	201,174	87,560	63,949
Excess (deficiency) of revenues over (under) expenditures	(39,151)	(59)	(63,963)	89,273
OTHER FINANCING SOURCES (USES):				
Premium on sale of certificates of participation	-	-	1,095	-
Refunding certificates of participation	-	-	109,830	-
Payments to refunded bond escrow agent	-	-	(110,570)	-
Transfers in	2,486	59	66,504	11,620
Transfers out	(3,477)	-	(3,860)	(62,640)
Total other financing sources and uses	(991)	59	62,999	(51,020)
Net change in fund balances	(40,142)	-	(964)	38,253
Fund balances - beginning	381,983	-	89,119	116,322
Fund balances - ending	\$ 341,841	\$ -	\$ 88,155	\$ 154,575

The notes to the financial statements are an integral part of this statement.

Certificates Of Participation	Other Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
3,018	6,532	7,244	47,060
-	-	85,226	85,787
-	-	-	83,038
-	-	4,092	35,022
-	-	2,817	58,154
-	-	9	1,302
111,380	43,050	32,853	222,705
-	-	728	9,814
114,398	49,582	132,969	2,118,857
(111,042)	(35,067)	(16,345)	(176,354)
-	-	-	1,095
-	-	-	109,830
-	-	-	(110,570)
-	-	-	80,669
(4)	(13,258)	-	(83,239)
(4)	(13,258)	-	(2,215)
(111,046)	(48,325)	(16,345)	(178,569)
188,000	110,672	64,182	950,278
\$ 76,954	\$ 62,347	\$ 47,837	\$ 771,709



THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(amounts expressed in thousands)**

Net Change in Fund Balances - Total Governmental Funds \$ (178,569)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$232,519) exceeds depreciation expense (\$88,978) during the current period. 143,541

The statement of activities reflects only the gain/loss on the sale of assets, whereas the governmental funds include all proceeds from these sales. Thus, the change in net assets differs by the cost of assets sold. (4,764)

Revenues reported in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 1,367

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal and capital leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which payments of bond principal (\$35,022), capital leases (\$454) and payments to refunding agent (\$110,570) exceeded proceeds (\$109,830) in the current year. 36,216

Governmental funds report costs associated with certain bond transaction as resources or uses. However, in the statement of activities these transactions are reported over the life of the debt as expenses (\$308 issuance cost and (\$1,095)) bond premium). (787)

Expenses in the statement of activities that do not require the use of current financial resources are not reported in the governmental funds:

Postemployment health care benefits (10,556)

Interest expense (including arbitrage rebate) 3,024

Compensated absences (2,675)

Amortization of bond discount, premium and issuance costs (1,073)

Internal service funds are used by management to charge the cost of certain activities, such as insurance, to individual funds. The net revenue of internal service funds is reported with governmental activities. 18,425

Change in Net Assets of Governmental Activities \$ 4,149

The notes to the financial statements are an integral part of this statement.

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY
**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(amounts expressed in thousands)**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Local sources:				
Ad valorem taxes	\$ 513,563	\$ 517,235	\$ 517,235	\$ -
Interest income	4,000	5,321	(6,045)	(11,366)
Other	18,461	53,356	51,604	(1,752)
Total local sources	536,024	575,912	562,794	(13,118)
State sources:				
Florida education finance program	514,311	518,746	518,746	-
Categorical programs	293,822	303,067	302,285	(782)
Workforce development	30,797	32,392	32,392	-
Other	2,368	2,761	2,707	(54)
Total state sources	841,298	856,966	856,130	(836)
Federal sources:				
Federal grants direct	1,800	2,686	2,686	-
Federal grants through state	3,350	8,464	8,464	-
Total federal sources	5,150	11,150	11,150	-
Total revenues	1,382,472	1,444,028	1,430,074	(13,954)
EXPENDITURES				
Current:				
Instructional services:				
Basic programs	776,759	816,484	737,658	78,826
Exceptional child programs	152,458	160,255	156,201	4,054
Adult and vocational technical programs	58,908	61,920	56,847	5,073
Total instructional services	988,125	1,038,659	950,706	87,953
Instructional support services:				
Pupil personnel services	62,341	64,487	61,684	2,803
Instructional media services	22,209	23,138	21,974	1,164
Instruction and curriculum development services	20,514	24,593	19,616	4,977
Instructional staff training services	19,002	21,499	19,750	1,749
Instructional related technology	23,123	27,671	21,959	5,712
Total instructional support services	147,189	161,388	144,983	16,405
Pupil transportation services	62,765	107,052	65,127	41,925
Operation and maintenance of plant:				
Operation of plant	92,366	158,123	108,825	49,298
Maintenance of plant	29,366	37,558	30,024	7,534
Total operation and maintenance of plant	121,732	195,681	138,849	56,832
School administration	91,220	97,006	91,700	5,306
General administration:				
Central services	17,173	24,914	20,241	4,673
Board of education	1,084	1,869	1,357	512
General administration	10,203	14,110	5,710	8,400
Fiscal services	7,276	25,967	6,278	19,689
Administrative technology services	535	668	642	26
Total general administration	36,271	67,528	34,228	33,300

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY
**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(amounts expressed in thousands)**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Facilities acquisition and construction	2,250	6,992	576	6,416
Food services	-	589	561	28
Community services and other	30,358	41,584	36,120	5,464
Capital outlay				
Facilities acquisition and construction	-	717	717	-
Other capital outlay	-	5,658	5,658	-
Total expenditures	1,479,910	1,722,854	1,469,225	253,629
Excess (deficiency) of revenues over (under) expenditures	(97,438)	(278,826)	(39,151)	239,675
OTHER FINANCING SOURCES (USES)				
Transfers in	2,596	2,486	2,486	-
Transfers out	(2,640)	(3,503)	(3,477)	26
Total other financing sources and uses	(44)	(1,017)	(991)	26
Net change in fund balances	(97,482)	(279,843)	(40,142)	239,701
Fund balances - beginning	381,983	381,983	381,983	-
Fund balances - ending	\$ 284,501	\$ 102,140	\$ 341,841	\$ 239,701

The notes to the financial statements are an integral part of this statement.

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY
MAJOR SPECIAL REVENUE FUND - CONTRACTED SERVICES
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
 (amounts expressed in thousands)

	Budgeted Amounts		Variance with Final Budget - Positive (Negative)	
	Original	Final	Actual	
REVENUES				
Local sources:				
Other	\$ 449	\$ 660	\$ 361	\$ (299)
Total local sources	449	660	361	(299)
State sources:				
Other	607	2,141	898	(1,243)
Total state sources	607	2,141	898	(1,243)
Federal sources:				
Federal grants direct	20,300	27,585	19,254	(8,331)
Federal grants through state	116,334	184,129	123,591	(60,538)
Federal grants through local	50,135	60,935	57,011	(3,924)
Total federal sources	186,769	272,649	199,856	(72,793)
Total revenues	187,825	275,450	201,115	(74,335)
EXPENDITURES				
Current:				
Instructional services:				
Basic programs	58,056	82,454	61,497	20,957
Exceptional child programs	19,827	28,159	15,895	12,264
Adult and vocational technical programs	4,113	5,841	4,452	1,389
Total instructional services	81,996	116,454	81,844	34,610
Instructional support services:				
Pupil personnel services	15,122	18,958	15,000	3,958
Instructional media services	2,021	3,455	2,665	790
Instruction and curriculum development services	25,109	37,082	25,589	11,493
Instructional staff training services	13,645	31,791	16,954	14,837
Instructional related technology	1,382	1,143	774	369
Total instructional support services	57,279	92,429	60,982	31,447
Pupil transportation services	1,001	1,337	819	518
Operation and maintenance of plant:				
Operation of plant	215	371	184	187
Maintenance of plant	8	18	16	2
Total operation and maintenance of plant	223	389	200	189
School administration	532	549	549	-
General administration:				
Central services	817	3,274	922	2,352
General administration	3,159	7,331	4,428	2,903
Fiscal services	694	638	638	-
Total general administration	4,670	11,243	5,988	5,255

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY
MAJOR SPECIAL REVENUE FUND - CONTRACTED SERVICES
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
 (amounts expressed in thousands)

	Budgeted Amounts		Variance with Final Budget - Positive (Negative)	
	Original	Final	Actual	
Facilities acquisition and construction	196	736	84	652
Community services and other	41,998	48,584	46,918	1,666
Capital outlay				
Facilities acquisition and construction	-	362	362	-
Other capital outlay	-	3,428	3,428	-
Total expenditures	187,895	275,511	201,174	74,337
Excess (deficiency) of revenues over (under) expenditures	(70)	(61)	(59)	2
OTHER FINANCING SOURCES (USES)				
Transfers in	70	61	59	(2)
Total other financing sources and uses	70	61	59	(2)
Net change in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

The notes to the financial statements are an integral part of this statement.

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY**STATEMENT OF NET ASSETS****PROPRIETARY FUNDS****JUNE 30, 2009**

(amounts expressed in thousands)

	Internal Service Funds
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 8,272
Investments	118,245
Accounts receivable	144
Due from other governmental agencies	668
Total assets	<u>\$ 127,329</u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 12,328
Deferred revenue	7,075
Estimated liability for claims	7,544
Total current liabilities	<u>26,947</u>
Noncurrent liabilities:	
Estimated liability for claims	7,635
Total noncurrent liabilities	<u>7,635</u>
Total liabilities	<u>34,582</u>
NET ASSETS	
Unrestricted	92,747
Total net assets	<u>92,747</u>
Total net assets and liabilities	<u>\$ 127,329</u>

The notes to the financial statements are an integral part of this statement.

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY**STATEMENT OF REVENUES, EXPENSES AND****CHANGES IN NET ASSETS****PROPRIETARY FUNDS****FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

(amounts expressed in thousands)

	Internal Service Funds
OPERATING REVENUES:	
Premium revenue from other funds	\$ 166,351
Other revenue	1,417
Total operating revenues	<u>167,768</u>
OPERATING EXPENSES:	
Salaries	614
Benefits	232
Purchased services	407
Claims, premiums and other	151,923
Total operating expenses	<u>153,176</u>
Operating income	<u>14,592</u>
NON-OPERATING REVENUE:	
Interest	1,263
Total non-operating revenue	<u>1,263</u>
Income before transfers	15,855
TRANSFERS IN	<u>2,570</u>
Change in net assets	18,425
Total net assets - beginning	<u>74,322</u>
Total net assets - ending	<u>\$ 92,747</u>

The notes to the financial statements are an integral part of this statement.

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(amounts expressed in thousands)**

	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from interfund services provided	\$ 166,831
Payment to suppliers	(153,584)
Payment to employees	(845)
Other receipts	1,370
Net cash provided by operating activities	13,772
CASH FLOWS FROM NON CAPITAL AND RELATED FINANCING ACTIVITIES:	
Transfers from other funds	2,570
Net cash provided by noncapital and related financing activities	2,570
CASH FLOWS FROM INVESTING ACTIVITIES:	
Proceeds from sales and maturities of investments	(9,810)
Purchase of investments	(18,433)
Interest and dividends earned on investments	1,263
Net cash used in investing activities	(26,980)
Net increase in cash cash equivalents	(10,638)
Cash and cash equivalents - Beginning of year	18,910
Cash and cash equivalents - End of year	\$ 8,272
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 14,592
Adjustments to reconcile operating income to net cash provided by operating activities:	
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	(84)
(Increase) decrease in due from other governmental agencies	8
Increase (decrease) in accounts payable	431
Increase (decrease) in estimated liability for long-term claims	(1,692)
Increase (decrease) in deferred revenue	517
Total adjustments	(820)
Net cash provided by operating activities	\$ 13,772

The notes to the financial statements are an integral part of this statement.

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

**STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2009
(amounts expressed in thousands)**

	Pension Trust Fund	Agency Funds
ASSETS		
Cash	\$ -	\$ 13,223
Investments, at fair value:		
State Board of Administration	-	29,042
Certificates of Deposit	-	34
U.S. Government securities	14,874	-
Total investments	14,874	29,076
Accounts receivable, net	150	17
Inventory	-	279
Total assets	15,024	42,595
LIABILITIES		
Accounts payable	-	1,312
Due to student organizations	-	16,376
Payroll deductions	-	24,907
Total liabilities	-	42,595
NET ASSETS		
Assets held in trust for pension benefits	15,024	-
Total net assets	15,024	-
Total liabilities and net assets	\$ 15,024	\$ 42,595

The notes to the financial statements are an integral part of this statement.

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

FIDUCIARY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

(amounts expressed in thousands)

	Pension Trust Fund
ADDITIONS	
Contributions received from employer	\$ 1,707
Investment income:	
Interest income	604
Net increase in fair value of investments	112
Total investment earnings	716
Less investment expense	36
Net investment income	680
Total additions	2,387
DEDUCTIONS	
Benefit payments	1,922
Administrative expenses	12
Total deductions	1,934
Net increase	453
Net assets - beginning	14,571
Net assets - ending	<u>\$ 15,024</u>

The notes to the financial statements are an integral part of this statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The District School Board of Hillsborough County, Florida (School Board) has direct responsibility for the operation, control, and supervision of the District schools and is considered a primary government for financial reporting purposes. The Hillsborough County School District is a part of the Florida system of public education. The governing body of the school district is the Hillsborough County District School Board that is composed of seven (7) elected members. The appointed Superintendent of Schools is the executive officer of the Board. Geographic boundaries of the District correspond with those of Hillsborough County.

The accompanying financial statements present the activities of the School Board and its component units. Criteria for determining if other entities are potential component units, which should be reported within the School Board's financial statements, are identified and described in Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity as amended by Statement No. 39, Determining Whether Certain Organizations Are Component Units. The application of these criteria provide for identification of any entities for which the District School Board is financially accountable and other organizations for which the nature and significance of their relationship with the District School Board are such that exclusion would cause the Board's financial statements to be misleading or incomplete.

Based on the application of these criteria, the following component units are included within the District School Board's reporting entity:

Blended Component Unit

The Hillsborough School Board Leasing Corporation (Corporation) was formed to facilitate financing for the acquisition of facilities and equipment as further discussed in note 7. Due to the substantive economic relationship between the Hillsborough County District School Board and the Corporation, the financial activities of the Corporation are included in the accompanying financial statements of the School Board in the Certificates of Participation Fund. Separate financial statements of the Corporation are not published.

Discretely Presented Component Units

The component unit's column in the government wide financial statements include the financial data of the District's other component units for the fiscal year ended June 30, 2009. These component units consist of the Hillsborough Education Foundation, Inc. (the Foundation) and the District's Charter Schools. Both the Foundation and the Charter Schools are reported in a separate column to emphasize that they are legally separate from the District School Board. While the District's officials are not financially accountable for the Foundation or the Charter Schools, it would be misleading to exclude them from the District's financial statements. None of the individual component units are considered to be major.

The Hillsborough Education Foundation, Inc., is a separate not-for-profit corporation organized and operated as a direct-support organization under Section 1001.453, Florida Statutes, to receive, hold, invest, and administer property and to make expenditures to, or for, the benefit of the District.

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

A. Reporting Entity (continued)

Complete financial statements of the Foundation can be obtained from their administrative office at:

Hillsborough Education Foundation
2010 E. Hillsborough Ave., Suite 212
Tampa, Florida 33610-8255

The Charter Schools are separate not for-profit corporations organized under Section 1002.33, Florida Statutes to operate as public (as opposed to private) schools and are held responsible for prudent use of the public funds they receive. Each Charter School is a separate component unit that operates under a charter approved by their sponsor, the School Board. There are twenty-four (24) Charter Schools operating in the School District of Hillsborough County that meet the criteria for presentation as a discretely presented component unit.

The individual Charter Schools are listed below. Further, complete audited financial statements of the individual component units can be obtained from their administrative offices. These schools include:

Anderson Academy Charter School 2708 N. Central Ave Tampa, Fl 33602	Brooks DeBartolo Collegiate High School 11602 N. 15 th Street Tampa, Fl 33612
Carl Sagan Academy 4610 E. Hanna Ave Tampa, Fl 33610	Community Charter School of Excellence 10948 N. Central Ave. Tampa, Fl 33612
Florida Autism Charter School of Excellence 6400 East Charles St. Tampa, Fl 33610	Hope Preparatory Academy 3916 E. Hillsborough Ave. Tampa, Fl 33610
Kid's Community School 10544 Lake St. Charles Riverview, Fl 33549	Learning Gate Charter School 16215 Hanna Road Lutz, Fl 33549
Literacy/Leadership Technology Academy MS 6771 Madison Ave. Tampa, Fl 33619	Literacy/Leadership Technology Academy HS 26 US Highway 301 South Riverview, Fl 33578
Mount Pleasant Charter School 2002 Rome Ave. Tampa, Fl 33607	Pepin Charter School of Tampa 3916 E. Hillsborough Ave. Tampa, Fl 33610
Quest Middle School 3916 E. Hillsborough Tampa, Fl 33610	ReBirth Academy Charter School 1924 E. Comanche Ave. Tampa, Fl 33610

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

A. Reporting Entity (continued)

Richardson Academy Charter School 68150 N. Roam Ave. Tampa, Fl 33604	Shiloh Elementary Charter School 1104 West Cason St. Plant City, Fl 33563
Tampa Bay Academy Charter School 12012 Boyette Road Riverview, Fl 33569	Tampa Charter School 5429 Beaumont Center Tampa, Fl 33634
Tampa Transitional School 3916 E. Hillsborough Ave. Tampa, Fl 33610	Terrace Community Charter School 4801 E. Fowler Ave. Tampa, Fl 33617
Trinity Charter School 2402 W. Osborne Ave. Tampa, Fl 33603	Trinity Upper Charter School 4807 North Armenia Tampa, Fl 33603
The Village of Excellence Charter School 8718 North 46 th St. Temple Terrace, Fl 33617	Walton Academy Charter School 4817 N. Florida Ave. Tampa, Fl 33603

Change in Reporting Entity

During fiscal year 2009 Anderson Academy Charter School, Carl Sagan Academy, and Re-Birth Academy Charter School ceased operations as of June 30, 2009. The Charter Schools did not submit an audit of its operations for fiscal year 2009, therefore no financial information has been reported for these entities. In addition, two charter schools ceased operations at the end of fiscal year 2008, USF Patel K-3 and USF Patel 4-5. Both USF Patel charter schools were included in fiscal year 2008 statements.

As a result of the cease of operations of Anderson Academy Charter School, Carl Sagan Academy, Re-Birth Academy Charter School in fiscal 2009 and the cease of operations of both of the USF Patel Charter Schools, the net assets of the component units as a whole has been adjusted by (\$1,532) as follows:

Net Assets – beginning, as previously reported	\$18,204
Adjustments for effect of change in reporting entity:	
USF Patel K-3	(1,091)
USF Patel 4-5	(113)
Anderson Elementary Academy	(69)
Carl Sagan Academy	(119)
Re-Birth Academy	(140)
Net Assets – beginning, adjusted	<u>\$16,672</u>

B. Basis of Presentation

The basic financial statements include the government-wide financial statements and fund financial statements.

Government-wide Financial Statements – Government-wide financial statements include a Statement of Net Assets and a Statement of Activities that display information about the primary government (District School Board) and its component units. These financial statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal service fund activities. The effect of interfund activities has not been eliminated in the Statement of Activities.

The Statement of Activities reports expenses and revenues in a format that focuses on the cost of each of the District School Board's functions. The expense of individual functions is compared to the revenues generated by the function (for instance, through user charges or intergovernmental grants). Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Proprietary funds distinguish operating revenues and expenses from non operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service funds are charges to other funds and to employees for workers compensation and insurance. Operating expenses for the internal service funds include the cost of services and administrative costs. All revenues and expenses not meeting this definition are reported as non operating revenues and expenses.

B. Basis of Presentation (continued)

Fund Financial Statements – The fund financial statements provide information about the District School Board's funds, including its fiduciary funds and blended component units. Separate statements for each fund category – governmental 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.

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.

Contracted Services - to account for financial resources of certain federal grant program resources.

Local Capital Improvement – Accounts for and reports on the revenues generated from the local capital outlay property taxes.

Other Debt Service – Accounts for and reports on the payments of principal and interest for outstanding bonds and Certificates of Participation.

Certificates of Participation – Accounts for and reports on the revenues generated from the issuance of Certificates of Participation.

Other Capital Projects Fund – Accounts for and reports on other miscellaneous funds from various sources.

Additionally, the District reports the following fund types:

Internal Service Funds – to account for the District's workers' compensation, general and automobile liability self-insurance programs and the employee health insurance program.

Pension Trust Fund – to account for resources used to finance the early retirement program.

Agency Funds – to account for resources held by the District as custodian for others primarily for the benefit of various schools and their activity funds.

C. 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.

Government-Wide Statements – The government-wide statements are presented using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows have taken place. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements – Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues, other than grant funds, reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Grant funds are considered available if collection is expected in the upcoming fiscal year. Property taxes, sales taxes, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured.

General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to first apply cost reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

D. Cash

Cash consists of petty cash funds and deposits held by banks qualified as public depositories under Florida law. All deposits are fully insured by Federal depository insurance and a multiple financial institution collateral pool required by Chapter 280 Florida Statutes. The statement of cash flows for the Proprietary Funds considers cash as those accounts used as demand deposit accounts and considers as cash equivalents amounts invested with the State Board of Administration.

E. Investments

Investments of the general government consist of amounts placed with the State Board of Administration for participation in the State investment pool, those made by the State Board of Administration from the District's bond proceeds held and administered by the State Board of Education, and those made locally.

District monies placed with the State Board of Administration for participation in the State investment pool represent an interest in the pool rather than ownership of specific securities. The District does not own specific investments but an interest in the pool. Such investments are stated at fair value. Investments of the early retirement program are reported at fair value.

Types and amounts of investments held at year-end are further described in note 3 on investments.

F. Inventory

Inventories consist of expendable supplies and equipment held for consumption in the course of District operations. Inventories at the central warehouse, maintenance, textbook depository and the bus garage are stated at cost based on a moving average. Food service inventories are stated at cost based on the first-in, first-out basis, except that United States Department of Agriculture surplus commodities are stated at their fair value as determined at the time of donation to the District's food service program by the Florida Department of Health and Rehabilitative Services, Food Distribution Center. All other inventories are stated at cost on the last invoice price method, which approximates the first-in, first-out basis. The cost of inventories is recorded as expenditures when used rather than purchased.

G. Capital Assets

Expenditures for capital assets acquired or constructed for general District purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are recorded at cost in the government-wide statement of net assets but are not reported in the governmental fund financial statements. Capital assets purchased after July 1, 2004 are defined as those costing more than \$1,000 and having a useful life of more than one year; those purchased before July 1, 2004 are defined as those costing more than \$750 and having a useful life of more than one year. Donated assets are recorded at fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Interest costs incurred during construction are not capitalized as part of the cost of construction.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class Description</u>	<u>Estimated Useful Lives</u>
Buildings	50 years
Improvements other than buildings	10-25 years
Building improvements	10-20 years
Furniture, Fixtures and Equipment	3-20 years
Motor Vehicles	5-10 years
Audio Visual Materials and Computer Software	3 years

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

H. Long-Term Liabilities

Long-term obligations that will be financed from resources to be received in the future by governmental funds are reported in the government-wide statement of net assets. Bond premiums, discounts and losses on refunding issuances, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount and losses on refunding issuances. Bond issuance costs are reported as deferred charges and are amortized over the term of the related debt.

In governmental fund financial statements, bonds and other long-term obligations are not recognized as liabilities until due. Governmental fund types recognize bond premiums, discounts and losses on refunding issuances as well as bond issuance costs, during the current period. The face amount of debt issued, as well as any related premium is reported as an other financing source while discounts on debt issuances and losses on refunding issuances are reported as an other financing use. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

The liability for compensated absences reported in the government-wide financial statements consists of unpaid, accumulated annual vacation and sick leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

Changes in long-term debt for the current year are reported in note 11.

I. State Revenue Sources

Revenues from State sources for current operations are primarily from the Florida Education Finance Program (FEFP) administered by the Florida Department of Education (Department) under the provisions of Section 1011.62, Florida Statutes. In accordance with this law, the Board determines and reports the number of full-time equivalent (FTE) students and related data to the Department. The Department performs certain edit checks on the reported number of FTE and related data and calculates the allocation of funds to the District. The District is permitted to amend its original reporting for a period of nine (9) months following the date of original reporting. Such amendments may impact funding allocations for subsequent years. The Department may also adjust subsequent fiscal period allocations based upon an audit of the District's compliance in determining and reporting FTE and related data. Normally, such adjustments are treated as reductions of or additions to revenues in the year when the adjustments are made.

The District receives revenue from the State to administer certain categorical educational programs. State Board of Education rules require that revenue earmarked for these programs be expended only for the program for which the money is provided. The money not expended or encumbered as of the close of the fiscal year is usually carried forward into the following year to be expended for the same programs. The Department requires that categorical educational program revenues be accounted for in the General Fund. A portion of the fund balance of the General Fund is reserved for the unencumbered balance of categorical educational program resources.

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

J. Property Taxes

The Board is authorized by State law to levy property taxes for district school operations, capital improvements, and debt service.

Property taxes consist of ad valorem taxes on real and personal property within the District. Property taxes are assessed by the Hillsborough County Property Appraiser and are collected by the Hillsborough County Tax Collector.

The School Board adopted the 2008 tax levy for the 2009 fiscal year on September 4, 2008. Tax bills are mailed in October; and taxes are payable between November 1 of the year assessed and March 31 of the following year with discounts of up to four percent for early payment.

Taxes become delinquent on April 1 of the year following the assessment. State law provides for enforcement of collection of personal property taxes by seizure of the property to satisfy unpaid taxes and for enforcement of collection of real property taxes by the sale of interest-bearing tax certificates to satisfy unpaid taxes. These procedures result in the collection of essentially all taxes prior to June 30 of the year following the assessment.

Property tax revenues are recognized in the government-wide financial statements in the fiscal year for which the Board adopts the tax levy. Property tax revenues are recognized in the governmental fund financial statements when the taxes are received by the District, except that revenue is accrued for taxes collected by the Hillsborough County Tax Collector at fiscal year end which have not yet been remitted to the District. Because any delinquent taxes collected after June 30 would not be material, delinquent taxes receivable are not accrued.

Millages and taxes levied for the current year are presented in note 16.

K. Federal Revenue Sources

The District receives Federal financial assistance for the enhancement of various educational programs. This assistance is generally received based on applications submitted to and approved by various granting agencies. For Federal financial assistance in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred.

L. Use of Estimates

The preparation of the financial statements requires management of the District to make a number of assumptions relating to the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

2. BUDGET COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The School Board follows the procedures established by State statutes and State Board of Education rules in establishing final budget balances reported in the financial statements:

1. Budgets are prepared, public hearings are held, and original budgets are adopted annually for all governmental fund types in accordance with procedures and time intervals prescribed by law and State Board of Education rules. Original budgets are submitted to the State Commissioner of Education for approval.
2. The budget is prepared by fund, function, object and department. Management may make transfers of appropriations between departments and object. The functional level is the legal level of budgetary control and may only be amended by resolution of the Board at any Board meeting prior to the due date for the Superintendent's Annual Financial Report (State Report). Budgetary disclosure in the accompanying financial statements reflects the original and final budget including all amendments approved for the fiscal year through September 3, 2009.
3. Budgets are prepared using the modified accrual basis as is used to account for actual transactions in the governmental funds.
4. Budgetary information is integrated into the accounting system and, to facilitate budget control, budget balances are encumbered when purchase orders are issued. Appropriations lapse at year-end and encumbrances outstanding are honored from the subsequent year's appropriations as described in a subsequent note on Reservations of Fund Balances.

All budget amounts presented in the basic statements and the accompanying supplementary information reflect the original budget and the final amended budget (which has been adjusted for legally authorized revisions of the annual budget during the year).

At the governmental fund level, outstanding encumbrances are reflected as a reservation of fund balance to reflect the re-appropriation in the subsequent year. Encumbrances outstanding at year-end do not represent GAAP expenditures or liabilities but represent budgetary accounting controls.

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

3. CASH AND INVESTMENTS

At June 30, 2009, the District's deposits were entirely covered by federal depository insurance or by collateral pledged with the State Treasurer pursuant to Chapter 280, Florida Statutes. Under this Chapter, in the event of default by a participating financial institution (a qualified public depository), all participating institutions are obligated to reimburse the governmental entity for the loss.

As of June 30, 2009 the District had the following investments and maturities (amounts in thousands):

Investment	Maturities	Fair Value
United States Treasuries	January 2010 – April 2029	\$ 3,564
United States Agencies	July 2009 – December 2029	13,102
State Board of Administration		
LGIP	46 Days	531,548
Pool B	6.87 Years	14,961
Debt Service Account	-	1,464
Certificates of Deposit	January 2010 – December 2014	455
Evergreen Institutional U.S.		
Government Money Market	-	97
Guaranteed Investment Contract	January 2010 – April 2029	4,224
Total Investments Reporting Entity		<u>\$569,415</u>

Investments are reflected in the financial statements as follows (amounts in thousands):

Governmental funds	\$407,220
Internal service funds	118,245
Fiduciary funds	
Pension trust	14,874
Agency	<u>29,076</u>
Total Primary Government	<u>\$569,415</u>

Interest Rate Risk

The District has a formal investment policy that limits investments of idle funds (other than debt proceeds and pension trust funds) to the State Board of Administration's Local Government Surplus Funds Trust Fund investment pool, created by Florida statute 218.405, or with an intergovernmental pool. On February 7, 2008 the District School Board approved the investing in 'AAA' rated money market funds in order to diversify the District's investment holdings. The District does not have a formal investment policy for debt proceeds and the pension trust fund that limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

The District has \$2,227,921 in obligations of United States Agencies that include embedded options consisting of the option at the discretion of the issuer to call their obligation or pay a stated increase in the interest rate. These securities have various call dates and mature September 2012.

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

3. CASH AND INVESTMENTS (continued)

Credit Risk

Section 218.415(17) Florida Statutes, authorizes the District to invest or reinvest any surplus public funds in their control or possession in:

- (a) The State Board of Administration (SBA) Investment Pool, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act.
- (b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
- (c) Interest-bearing time deposits or savings accounts in qualified public depositories, as defined in Section 280.02, Florida Statutes.
- (d) Direct obligations of the U.S. Treasury.

The securities listed in paragraphs (c) and (d) shall be invested to provide sufficient liquidity to pay obligations as they come due.

The District's investments in the SBA consist of the Local Government Surplus Funds Trust Fund (LGIP) and Fund B Surplus Funds Trust Funds (Fund B).

The LGIP is an external investment pool that is not registered with the Securities Exchange Commission (SEC), but does operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows funds to use amortized cost to maintain a constant net asset value (NAV) of \$1.00 per share. Accordingly, the District's investment in the LGIP is reported at the account balance which is considered fair value. The LGIP is rated AAAm by Standard & Poors.

The Fund B is accounted for as a fluctuating NAV pool. With a fluctuating NAV pool the fair value approximates market value. The SBA provides a fair value factor to use on the Fund B account balance to determine market value or fair value. As of June 30, 2009 the fair value factor was 51.37%. Fund B is not rated by a nationally recognized statistical rating agency. Currently participants are unable to withdraw funds from Fund B. Rather as cash becomes available in Fund B from interest receipts, maturities, or sales, it is distributed to participant accounts in the LGIP according to each participant's pro rata share of Fund B. All such distributions from Fund B to LGIP will be 100% available for withdrawal upon transfer.

The District's investments in United States Agencies were rated either AAA or Aaa by Moody's Investors Services.

The District's investments in Certificates of Deposits were in qualified public depositories. The Evergreen Institutional U. S. Government Money Market is rated AAAm by Standard & Poors and Aaa by Moody's Investor Services.

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

3. CASH AND INVESTMENTS (continued)

Credit Risk (continued)

Investments in the State Board of Administration Debt Service Account totaling \$1,464,180 are to provide for debt service payments on bonded debt issued by the State Board of Administration for the benefit of the District. These investments consist of United States Treasury securities, with maturity dates of six months or less and are reported at fair value. The District has no formal policy for managing interest rate risk or credit risk for this account, but relies on policies developed by the State Board of Administration.

Custodial Credit Risk

The District does not have a formal investment policy that addresses custodial credit risk. However, Florida Statute, Section 218.415(18) requires every security purchased under this section on behalf of the District to be properly earmarked and:

- 1. If registered with the issuer or its agents, must be immediately placed for safekeeping in a location that protects the District's interest in the security;
- 2. If in book entry form, must be held for the credit of the District by a depository chartered by the Federal Government, the state, or any other state or territory of the United States which has a branch or principal place of business in Florida as defined in Section 658.12, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in Florida, and must be kept by the depository in an account separate and apart from the assets of the financial institution; or
- 3. If physically issued to the holder but not registered with the issuer or its agents, must be immediately placed for safekeeping in a secured vault.

Of The District's investments, \$3,564,000 of U. S. Treasuries and \$13,102,000 of U.S. Agencies and \$97,061 in the Evergreen Institutional U. S. Government Money Market are not registered in the name of the District, but are held by the counterparty's trust department or agent and are not insured.

Concentration of Credit Risk

The District places no limit on the amount the District may invest in any one issuer. The District had no investment that made up more than 5% of total investments.

Foreign Currency Risk

The District has no investments which are exposed to foreign currency risk at June 30, 2009. The District does not have a formal investment policy that limits its investment in foreign currency.

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

4. DUE FROM OTHER GOVERNMENTAL AGENCIES

Amounts due from other governmental agencies as of June 30, 2009 are shown below (amounts in thousands):

	General Fund	Contracted Services Fund	Other Debt Service Fund	Local Capital Improvement Fund	Other Capital Projects Fund	Non-Major and Other Funds	Total
Federal Government: Miscellaneous	\$ 281	\$ 1,199	-	-	-	-	\$ 1,480
State Government: Food Reimbursement	-	-	-	-	-	1,593	1,593
Classroom For Kids	-	-	-	-	45,712	-	45,712
Public Education Capital Outlay	-	-	-	-	-	35,060	35,060
Miscellaneous	2,864	4,262	-	-	-	668	7,794
Local Government: Hillsborough County Board of County Commissioners	28,406	6,289	1,673	8,248	6,293	378	51,287
Miscellaneous	290	295	-	-	4	-	589
Total:	<u>\$ 31,841</u>	<u>\$ 12,045</u>	<u>\$ 1,673</u>	<u>\$ 8,248</u>	<u>\$ 52,009</u>	<u>\$ 37,699</u>	<u>\$ 143,515</u>

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2009 was as follows (amounts in thousands):

Description	Beginning Balances	Additions	Deletions	Ending Balances
Capital Assets Not Being Depreciated:				
Land	\$ 150,816	\$ 535	\$ -	\$ 151,351
Land Improvements-Non Depreciable	59,331	10,833	-	70,164
Construction in Progress	<u>257,182</u>	<u>217,972</u>	<u>227,345</u>	<u>247,809</u>
Total Capital Assets Not Being Depreciated	<u>467,329</u>	<u>229,340</u>	<u>227,345</u>	<u>469,324</u>
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	165,618	15,389	648	180,359
Buildings and Systems	2,092,137	201,158	29,612	2,263,683
Furniture, Fixtures and Equipment	163,518	13,179	16,810	159,887
Motor Vehicles	98,863	252	3,985	95,130
Property Under Capital Lease	1,343	-	1,343	-
Audio Visual Materials	134	-	17	117
Computer Software	<u>28,703</u>	<u>3,385</u>	<u>1,475</u>	<u>30,613</u>
Total Capital Assets Being Depreciated	<u>2,550,316</u>	<u>233,363</u>	<u>53,890</u>	<u>2,729,789</u>
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	94,024	6,376	408	99,992
Buildings & Systems	445,605	58,370	27,278	476,697
Furniture, Fixtures And Equipment	119,878	13,620	14,382	119,116
Motor Vehicles	54,929	7,601	3,944	58,586
Property Under Capital Lease	432	-	432	-
Audio Visual Materials	126	5	17	114
Computer Software	<u>24,857</u>	<u>3,006</u>	<u>1,322</u>	<u>26,541</u>
Total Accumulated Depreciation	<u>739,851</u>	<u>88,978</u>	<u>47,783</u>	<u>781,046</u>
Total Capital Assets Being Depreciated (Net)	<u>1,810,465</u>	<u>144,385</u>	<u>6,107</u>	<u>1,948,743</u>
Governmental Activities Capital Assets (Net)	<u>\$ 2,277,794</u>	<u>\$ 373,725</u>	<u>\$ 233,452</u>	<u>\$ 2,418,067</u>

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

5. CAPITAL ASSETS (continued)

Depreciation expense was charged to governmental functions as follows (amounts in thousands):

Instructional Services	\$ 6,729
Instructional Support Services	2,338
Pupil Transportation Services	3,843
Operation and Maintenance of Plant	1,213
Facilities Acquisition and Construction	73,184
School Administration	309
General Administration	685
Food Services	295
Community Services and Other	57
Un-Allocated Depreciation	<u>325</u>
Total Depreciation Expense	<u>\$88,978</u>

6. LINE OF CREDIT

Pursuant to the provisions of Section 1011.13, Florida Statutes, on May 5, 2009 the Board authorized the Superintendent to establish a Line of Credit Tax Anticipation Note for fiscal year 2010, in the amount of \$80,000,000 with Wachovia National Bank of Florida. The outstanding principal amount of the Note shall bear interest at one month London Interbank Offered Rate (LIBOR) plus 50 basis points adjusted monthly. This line-of-credit allows the Board to borrow funds if established revenues (cash) are lagging behind expenditures such as weekly payrolls and weekly vendor payments. The Note is secured by a pledge of anticipated ad valorem tax proceeds. This Note would be repaid in full in ninety days from the first draw. The Note shall not \$80,000,000 at any time. For the year ended June 30, 2009, no funds had been borrowed or utilized under this line-of-credit, and therefore no amounts are outstanding at June 30, 2009.

7. OBLIGATIONS UNDER LEASE PURCHASE AGREEMENT - CERTIFICATES OF PARTICIPATION

The District entered into various financing arrangements each of which was characterized as a lease-purchase agreement, with the Hillsborough School Board Leasing Corporation (Corporation), whereby the District secured financing of various education facilities through the issuance of Certificates of Participation to be repaid from the proceeds of rents paid by the School District.

As a condition of the financing arrangement, the District has given ground leases on District property to the Hillsborough School Board Leasing Corporation, with a rental fee of \$10 per year. The properties covered by the ground leases are, together with the improvements constructed thereon from the financing proceeds, leased back to the District. If the District fails to renew the leases and to provide for the rent payments through to term, the District may be required to surrender the sites included under the Ground Lease Agreements to the Trustee for the benefit of the securers of the Certificates to the end of the ground lease term.

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

7. OBLIGATIONS UNDER LEASE PURCHASE AGREEMENT - CERTIFICATES OF PARTICIPATION

Certificates of Participation that are still part of the District's debt obligation are as follows (amounts in thousands):

Certificates	Date of Certificates	Original Amount of Certificates	Ground Lease Term
Series 1998 Project (A&B)	March 1, 1998	\$ 336,930	June 30, 2017
Series 1999 Project	October 1, 1999	111,700	June 30, 2025
Series 2000 QZAB Project	March 9, 2000	10,628	May 31, 2012
Series 2000 Project	November 1, 2000	48,860	June 30, 2026
Series 2001A Project	January 15, 2001	103,770	June 30, 2025
Series 2001B Project	July 1, 2001	69,265	June 30, 2026
Series 2001 QZAB Project	November 6, 2001	9,600	November 6, 2015
Series 2002 Project	September 15, 2002	64,010	June 30, 2028
Series 2003B Project	September 1, 2003	72,065	June 30, 2029
Series 2004A Project	February 19, 2004	27,305	June 30, 2017
Series 2004B Project	February 19, 2004	56,715	June 30, 2026
Series 2004 QZAB Project	June 8, 2004	6,131	June 30, 2020
Series 2004C Project	November 4, 2004	89,750	June 30, 2030
Series 2005A Project	February 25, 2005	48,915	June 30, 2026
Series 2005 QZAB Project	December 20, 2005	3,002	December 20, 2020
Series 2006A Project	January 31, 2006	86,435	June 30, 2031
Series 2006B Project	January 26, 2007	77,900	June 30, 2026
Series 2007 Project	April 24, 2007	84,685	June 30, 2031
Series 2008A Projects	July 1, 2008	109,830	June 23, 2023

The Series 1998 Certificates of Participation were also issued, in part, in order to provide the funds necessary to advance refund the Series 1994 and the Series 1995 Certificates of Participation and refinance the Series 1994 and Series 1995 facilities which the School Board has acquired, constructed and installed from the proceeds of the Series 1994 and Series 1995. The Series 2001A Certificates of Participation were issued in order to provide funds necessary to partially advance refund the Series 1999 Certificates of Participation and refinance the Series 1999 facilities that the School Board has acquired, constructed and installed from the proceeds of the Series 1999. The Series 2004A Certificates of Participation were issued in order to provide funds necessary to advance refund the Series 1996 Certificates of Participation and refinance the Series 1996 facilities that the School Board has acquired, constructed and installed from the proceeds of the Series 2000. The Series 2005A Certificates of Participation were issued in order to provide the funds necessary to partially refund the Series 2000 Certificates of Participation and refinance the Series 2000 facilities that the School Board has acquired, constructed and installed from the proceeds of the Series 2000. The Series 2006A Certificates of Participation were issued in order to provide the funds necessary to partially refund the Series 1998B and 2001B Certificates of Participation and refinance the Series 1998B and 2001B facilities that the School Board has acquired, constructed and installed from the proceeds of the Series 1998B and 2001B. On May 23, 2008 the District remarketed the Series 2004C Certificates of Participation in order to change the auction interest rate to a daily adjustable rate. The Series 2008A Certificates of Participation were issued in order to provide the funds necessary to partially refund the Series 1998A Certificates of Participation and refinance the Series 1998A facilities that the School Board has acquired, constructed and installed from the proceeds of the Series 1998A. See Note 10.

7. OBLIGATIONS UNDER LEASE PURCHASE AGREEMENT - CERTIFICATES OF PARTICIPATION

Due to the economic substance of the issuances of the Certificates of Participation as a financing arrangement on behalf of the Board, the financial activities of the Corporation have been blended in with the financial statements of the District. For accounting purposes, due to the blending of the Corporation within the District's financial statements, basic lease payments are reflected as debt service expenditures when payable to Certificate holders. During the year ended June 30, 2009, \$114,398,309 was expended for capital outlay in the Certificates of Participation Capital Projects Funds.

The lease payments for the Series 1998, Series 1999, Series 2000, Series 2001A, Series 2001B, Series 2002, Series 2003B, Series 2004A, Series 2004B, Series 2005A, Series 2006A, Series 2006B and Series 2007 Certificates are payable by the District, semi-annually, on July 1 and January 1 at interest rates, of 3.6 to 5.5 percent, 3.65 to 6.00 percent, 4.20 to 5.55 percent, 3.00 to 5.00 percent, 3.00 to 5.25 percent, 2.00 to 4.625 percent, 5.00 percent, 5.25 percent, 2.00 percent to 5.09 percent, 2.375 to 5.0 percent, 3.50 to 5.00 percent, 3.50 to 5.00 percent and 3.75 to 5.00 percent, respectively. The lease payments for the Series 2004C and the Series 2008A Certificates are payable by the District semi-annually on July 1 and January 1. The interest is paid monthly based on a daily rate set by the remarketing agent that is expected to approximate the Securities Industry and Financial Markets Association (SIFMA) Municipal Swap index over the life of the Bonds. The lease payments for the Series 2000-QZAB, 2001-QZAB, 2004-QZAB and 2005 QZAB Certificates are due April 10, 2012, November 1, 2015, June 3, 2020 and December 20, 2020, respectively. There is no interest to be paid on the QZABs, as the certificate holders receive Federal Tax Credits in lieu of interest payments. The District is required to reserve a portion of the lease payments each year. The following is a schedule by years of future minimum lease payments under the lease agreements as of June 30 (amounts in thousands):

	Total	Principal	Interest
2010	\$ 64,326	\$ 22,940	\$ 41,386
2011	64,368	24,025	40,343
2012	74,952	35,693	39,259
2013	64,306	26,235	38,071
2014	65,176	28,325	36,851
2015 - 2019	336,616	174,225	162,391
2020 - 2024	336,195	220,648	115,547
2025 - 2029	322,513	260,805	61,708
2030 - 2032	<u>150,379</u>	<u>143,595</u>	<u>6,784</u>
Total Minimum Lease Payments	<u>\$1,478,831</u>	<u>\$ 936,491</u>	<u>\$ 542,340</u>

8. INTEREST RATE SWAP

Swaption: The District entered into a swaption contract on February 19, 2003 that provided the District an up-front payment of \$5,006,500. This payment was subsequently reduced by a premium refund of \$1,800,000 paid by the District to the counterparty on May 26, 2005. Such premium refund was paid to reflect a reduction in the notional amount from \$177,195,000 to \$109,830,000 pursuant to an amendment to the interest rate swaption dated April 19, 2005. As a synthetic refunding of its Series 1998A Certificates of Participation, this payment represents the risk-adjusted, present-value savings of a refunding as of July 1, 2008 without issuing refunding bonds at February 2003. The fixed swap rate of 4.97% is in accordance with the adjustment in the notional amount and reduced premium.

Floating-to-Fixed Interest Rate Swap, 2008A: The Swaption was exercised on July 1, 2008 commencing a Pay-fixed, receive-variable interest rate swap. At the same time the District partially refunded the fixed rate Series 1998A Certificates with variable rate Series 2008A Certificates of Participation. The swap's variable payments are based on the Securities Industry and Financial Markets Association (SIFMA) municipal swap index. The actual savings ultimately recognized by the transaction will be affected by the relationship between the interest rate terms of the Series 2008A variable rate Certificates versus the SIFMA Municipal Swap Index.

As of June 30, 2009 the swap had a negative Mark to Market value of \$20,360,198, which was estimated based on the year end market conditions using the zero-coupon method. The zero coupon method calculates the future net settlement payments required by the swap assuming that the current forward rates implied by the yield curve correctly anticipates future spot interest rates. These payments were then discounted using the spot rates implied by the current yield curve for hypothetical zero coupon bonds due on the date of each future net settlement on the swap.

Floating-to-Fixed Interest Rate Swap 2004C: In connection with the issuance on November 29, 2004 of \$89,750,000 variable rate Certificates of Participation Series 2004C, the District entered into a \$29,750,000 floating-to-fixed interest rate swap, effective through December 7, 2014 to hedge a portion of the Certificates maturing July 1, 2030 against future increases in interest rates. The swap effectively converts \$29,750,000 of the Certificates into 10-year synthetic fixed rate debt obligations at an interest rate of 3.736%. The Certificates and swap together create low cost, long-term synthetic fixed rate debt for the District. At June 30, 2009, the swap had a negative fair market value of \$1,841,254 based on mid-market values as of the close of business.

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

9. BONDS PAYABLE

Bonds payable at June 30, 2009 were as follows (amounts in thousands):

<u>Bond Type</u>	<u>Amount Outstanding</u>	<u>Interest Rates (Percent)</u>	<u>Annual Maturity To</u>
State School Bonds:			
Series 1999-A	4,320	4.0 - 4.75	2019
Series 2000-A	60	4.625 - 6.0	2020
Series 2002-A	1,275	3.0 - 5.0	2022
Series 2003-A	2,375	3.0 - 5.0	2023
Series 2004-A	2,820	3.0 - 4.625	2024
Series 2005-A	995	3.0 - 5.0	2025
Series 2005-Q	34,355	3.5 - 5.0	2020
Series 2006-A	3,300	5.5	2026
Series 2008-A	5,030	3.25 - 5.0	2028
District Revenue Bonds:			
Series 1998 Capital Improvement & Racetrack Revenue Refunding	2,206	3.5 - 5.35	2028
Series 2002 Sales Tax	21,665	2.25 - 5.375	2025
Series 2005 Sales Tax Refunding	127,140	2.25 - 5.00	2023
Series 2006 Sales Tax	51,035	4.0 - 4.25	2026
Series 2007 Sales Tax	<u>47,515</u>	3.5 - 5.0	2026
Total Bonds Payable	<u>\$304,091</u>		

The various bonds were issued to finance capital outlay projects of the District. The following is a description of bonded debt service:

STATE SCHOOL BONDS

These bonds are issued by the State Board of Education (SBE) on behalf of the District. The bonds mature serially and are secured by a pledge of part of the District's portion of State-assessed motor vehicle license tax. The State's full faith and credit is also pledged as security for these issues. Principal and interest payments, investment of Debt Service Fund resources, and compliance with reserve requirements are administered by the State Board of Education and the State Board of Administration.

DISTRICT REVENUE BONDS

Capital Improvement and Racetrack Revenue Refunding Bonds of 1998

These bonds are authorized by Chapter 71-680, Laws of Florida, which authorized the Board to pledge all of the portion of racetrack funds accruing annually to Hillsborough County, under the provisions of Chapters 550 and 551, Florida Statutes, as allocated to the Board pursuant to law, and Chapter 132, Florida Statutes, which authorized the refunding of the District Revenue Bonds of 1985. As required by the bond resolution the Board established the sinking fund and reserve account and has accumulated and maintained adequate resources in the sinking fund and reserve account.

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

9. BONDS PAYABLE (continued)

Sales Tax Revenue Bonds, Series 2002, 2005, 2006 and 2007

These bonds are authorized by the Constitution and Laws of the State of Florida, including, particularly Chapter 1010, Florida Statutes, Chapter 212, Part I, Florida Statutes and other applicable provisions of law. The bonds are secured by a pledge of the proceeds received pursuant to the Interlocal Agreement from the levy and collection by the County of the one-half cent local infrastructure sales surtax.

Annual requirements to amortize all bonded debt outstanding as of June 30, 2009, are as follows (amounts in thousands):

<u>TOTAL SBE BONDS</u>			
<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 6,672	\$ 4,060	\$ 2,612
2011	6,679	4,260	2,419
2012	6,682	4,465	2,217
2013	6,694	4,690	2,004
2014	6,695	4,915	1,780
2015 - 2019	28,821	23,755	5,066
2020 - 2024	7,209	5,805	1,404
2025 - 2028	<u>2,852</u>	<u>2,580</u>	<u>272</u>
Total Debt Service Payments	<u>\$72,311</u>	<u>\$54,530</u>	<u>\$17,781</u>

TOTAL DISTRICT REVENUE BONDS

<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 20,408	\$ 9,459	\$10,949
2011	20,386	9,810	10,576
2012	20,375	10,209	10,166
2013	20,414	10,634	9,780
2014	20,370	10,979	9,391
2015 - 2019	101,306	62,285	39,021
2020 - 2024	100,654	77,962	22,692
2025 - 2027	<u>62,808</u>	<u>58,223</u>	<u>4,585</u>
Total Debt Service Payments	<u>\$366,721</u>	<u>\$249,561</u>	<u>\$117,161</u>

10. DEFEASED DEBT

On July 1, 2008, the District issued \$109,830,000 Certificates of Participation, Series 2008A at a net premium, with an interest rate to be determined daily by a remarketing agent. The proceeds were used to refund \$109,475,000 principal amount of the District's then outstanding \$208,180,000 of Series 2008A Certificates of Participation. \$109,475,000 of the net proceeds (after payment of \$307,883 in underwriters fees, insurance and other issuance costs) were used to pay off the refunded amount of the Series 1998A Certificates of Participation.

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

10. DEFEASED DEBT (continued)

As a result, \$109,475,000 of the Series 1998A is considered defeased and the liability for these certificates has been removed from long term debt. Accordingly the trust account assets and the liability for that portion of the Series 1998A are not included in the School District's financial statements.

As a result of the refunding, the School District reduced its total debt service requirements by \$3,781,146 which resulted in an economic gain (difference between the present value of debt service payment on the old and new debt) of \$1,118,376.

In prior years, the Board defeased in substance certain outstanding revenue bonds and Certificates of Participation by placing the proceeds of each of the new bond issues in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust account's assets and the liability for the in substance defeased bonds are not included in the Board's financial statements. At June 30, 2008, \$480,000 of SBE Bonds Series 2000A, \$35,435,000 of SBE Bonds Series 1998A, \$90,945,000 of Series 1994 Certificates of Participation, \$43,670,000 of Series 1995 Certificates of Participation, \$20,790,000 of Series 1998A Certificates of Participation, \$95,785,000 of Series 1999 Certificates of Participation, \$28,000,000 of the Series 1996 Certificates of Participation, \$45,625,000 of Series 2000 Certificates of Participation, \$54,885,000 of Series 2001B Certificates of Participation and \$126,160,000 of Series 2002 Sales Tax Revenue Bonds outstanding are considered defeased.

11. CHANGES IN LONG TERM DEBT

The following is a summary of changes in general long-term debt (amounts in thousands):

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009	Due in One Year
Estimated Liability for Long Term Claims	\$ 16,871	\$ 6,111	\$ 7,803	\$ 15,179	\$ 7,543
Post Employment Benefits	10,394	15,059	4,503	20,950	-
Arbitrage Payable	5,549	709	374	5,884	-
Compensated Absences Payable	134,649	24,880	22,205	137,324	12,707
Capital Lease Payable	454	-	454	-	-
Certificates of Participation	958,151	109,830	131,490	936,491	22,940
Bonds Payable	<u>317,098</u>	<u>-</u>	<u>13,007</u>	<u>304,091</u>	<u>13,519</u>
TOTAL	<u>\$1,443,166</u>	<u>\$156,589</u>	<u>\$179,836</u>	<u>\$1,419,919</u>	<u>\$56,709</u>
Plus unamortized bond premium:					
Bonds payable				8,444	
Certificates of participation				7,770	
Less unamortized loss on refunding					
Bonds payable				(10,239)	
Certificates of participation				(9,583)	
Total long-term liabilities				<u>\$1,416,311</u>	

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

11. CHANGES IN LONG TERM DEBT (continued)

Internal service funds predominately serve the governmental funds and, accordingly, long-term liabilities of those funds are included in the governmental activities. For the governmental activities, compensated absences are generally liquidated with resources of the General Fund and postemployment health care benefits are generally liquidated with resources of the General and Special Revenue Funds. The estimated liability for long term claims are generally liquidated with resources of the Worker's Compensation and the General and Automobile liability programs Internal Service Funds.

12. RESERVATIONS OF FUND BALANCES

Reserves are generally limited to indicating that portion of the fund equity that is restricted to a specific future use or is not available for appropriations and expenditures. Fund balances have been reserved for the following at June 30, 2009 (amounts in thousands):

\$ 91,909	Encumbrances which are the amounts that represent obligations or commitments chargeable in the future when the material and services are rendered.
\$ 90,291	Debt Service which is those amounts available to apply against future principal and interest payments.
\$ 14,611	State Categorical Carry-over Programs, which are those balances of various specially identified programs, funded by the State Department of Education.
\$ 4,396	Reserves for Inventory are that portion of inventory on hand over liabilities that cannot be utilized as cash.
\$ 19,005	Reserves for Other Purposes, which are those balances of various identified programs other than State Categorical programs that are funded by the State and local government.

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

13. INTERFUND RECEIVABLES AND PAYABLES

The following is a summary of interfund receivables and payables reported in the fund financial statements (amounts in thousands):

<u>Funds</u>	<u>Interfund</u>	
	<u>Receivables</u>	<u>Payables</u>
Major Funds:		
General	\$ 7,257	\$ 1,478
Contracted Services	1,394	6,149
Other Debt Service	1,441	-
Local Capital Improvement	5,823	1,950
Certificates of Participation	2	2,256
Other Capital Projects	-	2,134
Non-major Governmental Funds	<u>118</u>	<u>2,068</u>
Total	<u>\$16,035</u>	<u>\$16,035</u>

The majority of interfund receivables and payables are established during the closing period. The receivable in the general fund is for payback of direct/indirect charges for June. The amounts in certificates of participation fund, other capital projects fund and non-major funds are mostly due to the movement of expenditures between capital project funds.

14. INTERFUND TRANSFERS

The following is a summary of interfund transfers reported in the fund financial statements (amounts in thousands):

<u>Funds</u>	<u>Interfund</u>	
	<u>Transfer In</u>	<u>Transfer Out</u>
Major Funds:		
General	\$ 2,486	\$3,477
Contracted Services	59	-
Other Debt Service	66,504	3,860
Local Capital Improvement	11,620	62,640
Certificates of Participation	-	4
Other Capital Projects	-	13,258
Internal Service Funds	<u>2,570</u>	<u>-</u>
Total	<u>\$83,239</u>	<u>\$83,239</u>

The largest amount of interfund transfers is to move money to the debt service funds for bond principal and interest payments. The remainder is the charging of direct and indirect costs.

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

15. STATE REVENUE SOURCES

The following is a schedule of the District's state revenue for the 2009 fiscal year (amounts in thousands):

<u>Sources</u>	<u>Amount</u>
Florida Education Finance Program	\$ 518,746
Workforce Development	32,392
Discretionary Lottery Funds	4,814
Categorical Education Programs	297,471
Gross Receipts Tax (Public Education Capital Outlay)	16,962
Capital Outlay and Debt Service	7,703
Food Service Supplement	1,470
Mobile Home License Tax	637
State Board of Education Bond Interest	80
Pari-Mutuel Tax	447
Miscellaneous	<u>5,348</u>
Total	<u>\$ 886,070</u>

16. PROPERTY TAXES

The following is a summary of millages and taxes levied in the 2008 tax roll for the fiscal year 2009 (dollars in thousands):

	<u>Millage Levied</u>	<u>Taxes Levied</u>
<u>General Fund</u>		
Non-voted School Tax:		
Required Local Effort	5.304	\$453,316
Discretionary Local Effort	.723	61,793
<u>Capital Projects Funds</u>		
Non-voted Tax:		
Local Capital Improvements	<u>1.750</u>	<u>149,567</u>
Total	<u>7.777</u>	<u>\$664,676</u>

17. STATE RETIREMENT PROGRAMS

All regular employees of the District are covered by the Florida Retirement System, a State-administered cost-sharing multiple-employer public employee defined benefit retirement plan (Plan). Participating employers include all State departments, counties, district school boards, and community colleges. Many municipalities and special districts have elected to be participating employers. Employees who earn benefit credits while employed by one participating employer may transfer the credits to any other participating employer.

Essentially all regular employees of participating employers are eligible and must enroll as members of the Plan. Benefits vest at specified numbers of years of service depending upon the employee's classification. Generally, members are eligible for normal retirement benefits at age 62 with 6 years of service or at any age after 30 years of service. For normal retirement, benefit payments are based on the member's highest 5-year average annual salary (average final compensation) times the number of years of service, multiplied by a percentage ranging from 1.60 percent at either 62 or with 30 years of service to 1.68 percent at age 65 or with 33 years of service. Members are eligible for early retirement after 6 years of service but before age 62; however, normal benefits are reduced by 5 percent for each year a member retires before age 62. As described in note 18, the District administers a single-employer retirement program that under certain conditions covers the difference in benefits between normal and early retirement.

The Plan provides retirement, disability, and death benefits and annual cost-of-living-adjustments, as well as supplements for certain employees to cover social security benefits lost by virtue of retirement system membership.

A Deferred Retirement Option Program (DROP) was established effective July 1, 1998. It permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with a Florida Retirement System employer. An employee may participate in the DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the Florida Retirement System Trust Fund and accrue interest.

The benefit provisions and all other requirements of the Plan are established by Florida Statutes.

The contribution rates for the Plan are established, and may be amended, by the State of Florida. As of June 30, 2009, the contribution rates were as follows:

<u>Class or Plan</u>	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer (A)</u>
Florida Retirement System, Regular (HA)	0.00	9.85
Florida Retirement System, County Elected Officers (HI)	0.00	16.53
Florida Retirement System, Senior Management Service Class (HM)	0.00	13.12
Florida Retirement System, Special Risk (HB)	0.00	20.92
Teachers' Retirement System, Plan E (IE)	6.25	11.35
State and County Officers and Employees' Retirement System, Plan B (AF)	4.00	9.10
Florida Retirement System, Reemployed Retiree (RA)	0.00	9.85

Notes: (A) Employer rates include the post-retirement health insurance supplement, which was increased on July 1, 2001 to 1.11 percent.

17. STATE RETIREMENT PROGRAMS (continued)

The District's liability for participation in the Plan is limited to the payment of the required contribution at the rates and frequencies established by law on future payrolls of the District. The District's contributions to the Plan (including employee contributions) for the fiscal years ending June 30, 2007, June 30, 2008, and June 30, 2009, totaled \$90,301,679, \$97,943,619 and \$98,481,287 respectively, representing a percentage of covered payroll of 9.79% for fiscal year 2007, 9.95% for fiscal year 2008 and 9.94% for fiscal year 2009. These amounts are equal to the required contributions for each fiscal year.

The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the Florida Retirement System. The report may be obtained by writing to the State of Florida, Division of Retirement, Department of Management Services, 1317 Winewood Boulevard, Building 8, Tallahassee, Florida 32399.

18. EARLY RETIREMENT PROGRAM

a. Plan Description and Provisions

As authorized by Section 1012.985, Florida Statutes, the Board implemented an Early Retirement Plan (Plan), effective August 1, 1984. The Plan is a single-employer defined benefit plan. The purpose of the Plan is to provide eligible District employees, who elect to retire under the early retirement provisions of the Florida Retirement System, described in Note 17, with a monthly benefit equal to the statutory reduction of the normal retirement benefits when early retirement precedes the normal retirement age of 62. The School Board entered into an agreement with Wachovia Bank, N.A., designating the Bank as the Investment Manager and Custodian (Trustee) for the Plan assets. The Agreement also provides that monthly benefits be paid by the Trustee.

Based on an actuarial report as of June 30, 2009 employee membership data related to the Plan was as follows:

Retirees and beneficiaries currently receiving benefits	<u>538</u>
Active Plan Participants:	
Vested	587
Non-vested	-
Total	<u>587</u>

A summary of Eligibility and Benefits follows:

Eligibility

A member of the Plan is eligible upon attainment of age 55 to 59, completion of 25 but not more than 28 years of creditable service, at least 5 consecutive and uninterrupted years of service immediately preceding early retirement, and having applied for retirement under The Florida Retirement System. The Board approved to eliminate new participants to the Early Retirement Program on June 30, 2008. Certain employees who would become eligible for the Plan after June 30, 2008, but before July 1, 2010 may request entrance into the plan for an effective date no later than July 1, 2010.

18. EARLY RETIREMENT PROGRAM (continued)

Benefits

The amount of the monthly benefit will be equal to the reduction imposed on the retirement benefit by the Florida Retirement System due to early retirement. The benefit amount will be based on the initial benefit amount determined by the Florida Retirement System prior to any cost of living adjustments and once established will remain unchanged, unless a specific increase is authorized by the Board.

b. Summary of Significant Accounting Policies

The Plan is accounted for as a pension trust fund; therefore it is accounted for in substantially the same manner as a proprietary fund with a "capital maintenance" measurement focus and the accrual basis of accounting. Employer contributions are recognized in the period in which contributions are due. Benefits and refunds are recognized when due and payable in accordance with terms of the Plan. Plan assets are valued at fair value for financial statement purposes.

Separate Statements are not issued for the Plan.

c. Contributions and Reserves

The District's Early Retirement Program was established by the Board on August 1, 1984. Pursuant to the Plan Agreement, no contribution shall be required or permitted from any member. Board contributions shall be sufficient to meet the annual pension cost of the Plan and to amortize the un-funded actuarial accrued liability within 30 years based on an actuarial study. There are no long-term contracts to the plan. Periodic employer contributions to the Plan are determined on an actuarial basis using the "Entry Age Actuarial Cost Method". Annual pension cost is funded on a current basis. Pursuant to Section 112.64, Florida Statutes, the un-funded actuarial accrued liability is funded over a 40-year period. Periodic contributions for both normal cost and the amortization of the un-funded actuarial liability are based on the level percentage of payroll method.

Significant actuarial assumptions used to compute annual required contributions are the same as those used to determine the actuarial accrued liability.

Total contributions to the Plan in fiscal years 2007, 2008 and 2009 amounted to \$3,843,945, \$3,549,014 and \$1,707,456 respectively. The actuarially determined contribution for fiscal years 2007, 2008 and 2009 were \$3,640,027, \$3,649,945 and \$2,063,437 respectively which were determined through actuarial valuations performed at July 1, 2006, July 1, 2007 and July 1, 2008 respectively. The total annual pension costs for fiscal years 2007, 2008 and 2009 were \$3,623,394, \$3,649,958 and \$2,059,509 respectively. The percentage of pension cost contributed for fiscal years 2007, 2008 and 2009 were 106.09%, 97.23% and 82.90% respectively. If the District were to have a material net pension obligation such amount would be recorded.

As of July 1, 2008 the actuarial accrued liability for benefits was \$31,610,000 of which \$17,039,000 was unfunded. The covered payroll (annual payroll for active participating employees) was \$31,812,000 for the 2009 fiscal year, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 53.6%.

18. EARLY RETIREMENT PROGRAM (continued)

The computation of the annual required contributions for fiscal 2009 was based on the same (a) benefit provisions, (b) actuarial funding method, and (c) other significant factors as used to determine annual required contributions in the previous year, with the exception of an assumed growth in payroll from 3% to 0% and a change in the mortality table used.

All of the assets in the District's Pension Trust Fund are maintained in legally required reserves. None of the assets have been designated by the Board for any other specific purpose. Costs of administering the Plan are financed through the Plan's resources (employer contributions and investment earnings).

d. Concentrations

The Plan's investments at June 30, 2009, consisted of the following:

	Balance June 30, 2009	Percentage of Plan Net Assets
Obligations of U.S. Agencies	\$14,777,377	99%
Evergreen Money Market	97,061	1%
Total	<u>\$14,874,438</u>	<u>100%</u>

e. Actuarial Information

Additional information as of the latest actuarial valuation is as follows:

Valuation Date	07/01/08
Actuarial Cost Method	Entry Age
Amortization Method	Level Percentage of Payroll-Closed
Asset Valuation Method	Fair Value
Actuarial Assumptions:	
Investment Rate of Return	6%
Projected Salary Increases	4%
Rate of Inflation Adjustment	None

19. POST EMPLOYMENT HEALTH CARE BENEFITS

a. Plan Description

The Postemployment Health Care Benefits Plan is a single-employer defined benefit plan administered by the District. Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees who retire from the District and eligible dependents, may continue to participate in the District's health and hospitalization plan for medical, and prescription drug 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 plan on average than those of active employees. Retirees are required to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible. Separate financial statements are not issued.

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

19. POST EMPLOYMENT HEALTH CARE BENEFITS (continued)

b. Funding Policy

The District via the Board can establish and amend the funding requirements. The District has designated fund balance in the general fund for the net Other Post Employment Benefits obligation (OPEB), but has not advanced-funded the OPEB costs or the net OPEB obligation. For the 2009 fiscal year, retirees and eligible dependents received postemployment health care benefits, which are funded by the District on a pay as you go basis. The District provided required contributions of \$4,502,984 toward annual OPEB costs, comprised of benefit payments made on behalf of the retirees for claims expenses (net of reinsurance), administrative expenses, and reinsurance premiums and net of retiree contributions totaling \$9,624,776 which is less than 1 percent of covered payroll.

c. Annual OPEB Cost and Net OPEB Obligation

The District's annual OPEB cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of the Governmental Accounting Standards Board Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. The ARC represents a level of funding that is paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the net OPEB obligation:

Descriptions	Amount
Normal Cost (service cost for one year)	\$ 8,928,046
Amortization of Unfunded Actuarial Accrued Liability	5,440,673
Interest on Normal Cost and Amortization	646,592
Annual Required Contribution (ARC)	15,015,311
Interest on Net OPEB Obligation (NOO)	467,752
Amortization of Net OPEB Obligation	(423,968)
Total Expense or Annual OPEB Cost (AOC)	15,059,095
Annual Contribution Toward OPEB Cost	(4,502,984)
Increase in Net OPEB Obligation	10,556,111
Net OPEB Obligation Beginning of Year	10,394,485
Net OPEB Obligation End of Year	\$20,950,596

The District's annual OPEB cost, the Percentage of annual OPEB cost contributed to the plan and the net OPEB obligation as of June 30, 2009 was as follows:

Fiscal Year	Annual OPEB Cost	Annual Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2009	\$15,059,095	\$4,502,984	29.9%	\$20,950,596
2008	\$15,132,083	\$4,737,598	31.3%	\$10,394,485
2007	N/A	N/A	N/A	N/A

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

19. POST EMPLOYMENT HEALTH CARE BENEFITS (continued)

d. Funded Status and Funding Progress

As of July 1, 2008 the actuarial accrued liability for benefits was \$139,930,959, all of which was unfunded. The covered payroll (annual payroll for active participating employees) was \$990,757,415 for the 2009 fiscal year, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 14.1%.

e. Actuarial Methods and Assumptions

Actuarial methods and assumptions used for the OPEB calculations are as follows:

- Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future; actuarially determined amounts are subject to continual revisions as actual results are compared to past expectations and new estimates are made about the future.
- Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future.
- Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.
- The actuarial methods and significant assumptions used in the actuarial valuation as of July 1, 2008 are:
 - Entry age actuarial cost method
 - Actuarial value of assets are fair value
 - Investment rate of return 4.5%
 - Salary scale is 4.0%
 - Healthcare cost trend rate is 10.5% for fiscal year ended June 30, 2009 grading to 5.5% for fiscal year ending June 30, 2014.
 - Past service liability is amortized over a closed 30-year period as a level percentage of projected payroll assumed to grow 3.0% per year.

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

20. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Workers' compensation, automobile liability, and general liability coverage are being provided on a self-insured basis up to specified limits. Prior to July 18, 2007, the District entered into agreements with various insurance companies to provide specific excess coverage of claim amounts above the stated amount on an individual claim basis. Effective July 18, 2007 the District chose not to purchase excess coverage, but chose to set aside \$500,000 per year to accumulate to a total of \$5,000,000 to cover any excess claims. As of June 30, 2009, \$1,000,000 has been set aside. The Board has contracted with an insurance administrator to administer these self-insurance programs, including the processing, investigating, and payment of claims.

Settled claims resulting from the risks described above have not exceeded commercial insurance coverage for the past three fiscal years.

A liability in the amount of \$15,178,515 was actuarially determined using a discount rate of 3.5% to cover reported and unreported insurance claims payable at June 30, 2009. It is estimated that \$7,543,101 of the liability is current and due within one year. The remaining \$7,635,414 will be due in future years.

The following schedule represents the changes in claims liability for the past two fiscal years for the District's self-insurance program:

	Beginning-of-Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2007 – 2008	\$17,931,071	\$ 7,162,392	\$(8,222,314)	\$16,871,149
2008 – 2009	\$16,871,149	\$ 6,110,513	\$(7,803,147)	\$15,178,515

Claims and judgments are generally liquidated by the internal service funds that are funded by the general fund and special revenue funds.

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

21. COMMITMENTS AND CONTINGENCIES

Construction Contract Commitments

The following is a summary of major construction contract commitments remaining at June 30, 2009 (amounts in thousands):

DETAIL LISTING OF CONSTRUCTION IN PROGRESS

Description	Project Authorization	Expended Through 6/30/09	Committed
Additions	\$ 39,438	\$ 22,214	\$ 17,224
Elementary Schools	63,052	50,494	12,558
Middle Schools	31,591	20,350	11,241
Senior High Schools	128,088	103,403	24,685
Other	4,803	3,195	1,608
Renovations	102,157	43,834	58,323
Improvements	9,024	4,319	4,705
Total	<u>\$378,153</u>	<u>\$247,809</u>	<u>\$130,344</u>

Litigation

The District is involved in several pending and threatened legal actions. In the opinion of District management, the range of potential loss from all such claims and actions should not materially affect the financial condition of the District.

Grants and Contracts

The District participates in various federally assisted grant programs that are subject to review and audit by the grantor agencies. Entitlement to these resources is generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a federal audit may become a liability of the District.

SUBSEQUENT EVENTS

On August 15, 2009 the State Board of Education issued Series 2009A Capital Outlay Bonds in the amount of \$675,000 on behalf of the District in order to finance the cost of acquiring, building, construction, remodeling, improving enlarging, furnishing, maintaining, renovating or repairing of projects. The net proceeds were placed in a Capital Outlay Fund

THE SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA
SUPPLEMENTAL EARLY RETIREMENT PENSION TRUST
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
June 30, 2009
(UNAUDITED)

Schedule of Funding Progress:

FISCAL YEAR ENDED JUNE 30	Actuarial Value of Plan Assets	Actuarial Accrued Liability Entry Age (1)	Unfunded Actuarial Accrued Liability (3)	Funded Ratio (2)	Covered Payroll	Unfunded Actuarial Liability as a Percentage of Covered Payroll		
2004	7,476,928	29,906,771	(4)	22,429,843	25.00%	172,252,480	(4)	13.02%
2005	8,312,833	31,241,919	(5)	22,929,086	26.60%	177,745,949	(5)	12.90%
2006	8,833,753	33,461,470	(6)	24,627,717	26.40%	186,742,083	(6)	13.19%
2007	9,384,033	49,388,744	(7)	40,004,711	19.00%	187,094,809	(7)	21.38%
2008	11,892,575	32,682,751	(8)	20,790,176	36.4%	40,602,385	(8)	51.20%
2009	14,570,542	31,609,928	(9)	17,039,386	46.1%	31,812,283	(9)	53.56%

- Notes: (1) The Entry Age Actuarial Cost Method is used to determine the Plan's funding requirements.
(2) The percentage funded is derived by dividing the actuarial value of plan assets by the actuarial accrued liability.
(3) The unfunded actuarial accrued liability is the actuarial accrued liability minus the actuarial value of plan assets.
(4) Based on data from an actuarial valuation report as of July 1, 2003, dated July 1, 2003.
(5) Based on data from an actuarial valuation report as of July 1, 2004, dated November 9, 2004.
(6) Based on data from an actuarial valuation report as of July 1, 2005, dated May 9, 2006.
(7) Based on data from an actuarial valuation report as of July 1, 2006, dated April 26, 2007.
(8) Based on data from an actuarial valuation report as of July 1, 2007, dated June 30, 2008.
(9) Based on data from an actuarial valuation report as of July 1, 2008, dated July 10, 2009.

See Note 18 for Plan changes.

Isolated analysis of the dollar amounts of the actuarial value of assets, actuarial accrued liability, and unfunded actuarial accrued liability can be misleading.

Expressing the actuarial value of assets as a percentage of the actuarial accrued liability provides one indication of the Plan's funding status on a going-concern basis. Analysis of this percentage over time indicates whether the Plan is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the Plan.

Unaudited – see accompanying independent auditors' report.

THE SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA
SUPPLEMENTAL EARLY RETIREMENT PENSION TRUST
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
June 30, 2009
(UNAUDITED)

Schedule of Employer Contributions:

Fiscal Year Ended June 30	Annual Required Contribution	Percentage Contributed
2004	1,885,854	111.36%
2005	1,990,860	97.08%
2006	2,283,533	87.08%
2007	3,640,027	105.60%
2008	3,649,945	97.23%
2009	2,063,437	82.74%

Unaudited – see accompanying independent auditors' report.

THE SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA
POST EMPLOYMENT HEALTH CARE BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
June 30, 2009
(UNAUDITED)

Schedule of Funding Progress:

FISCAL YEAR ENDED JUNE 30	Actuarial Value of Plan Assets	Actuarial Accrued Liability Entry Age (1)	Unfunded Actuarial Accrued Liability (3)	Funded Ratio (2)	Covered Payroll	Unfunded Actuarial Liability as a Percentage of Covered Payroll
2008	-	142,851,161 (4)	142,851,161	0%	984,347,937 (4)	14.50%
2009	-	139,930,959 (5)	139,930,959	0%	990,757,415 (5)	14.10%
Notes: (1) The Entry Age Actuarial Cost Method is used to determine the Plan's funding requirements.						
(2) The percentage funded is derived by dividing the actuarial value of plan assets by the actuarial accrued liability.						
(3) The unfunded actuarial accrued liability is the actuarial accrued liability minus the actuarial value of plan assets.						
(4) Based on data from an actuarial valuation report as of July 1, 2007, dated July 24, 2008.						
(5) Based on data from an actuarial valuation report as of July 1, 2008, dated August 17, 2009						

Isolated analysis of the dollar amounts of the actuarial value of assets, actuarial accrued liability, and unfunded actuarial accrued liability can be misleading.

Expressing the actuarial value of assets as a percentage of the actuarial accrued liability provides one indication of the Plan's funding status on a going-concern basis. Analysis of this percentage over time indicates whether the Plan is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the Plan.

The District adopted GASB Statement 45 effective July 1, 2007, therefore only two years of funding progress information is available.

Unaudited – see accompanying independent auditors' report.

THE SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA
POST EMPLOYMENT HEALTH CARE BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
June 30, 2009
(UNAUDITED)

Schedule of Employer Contributions:

Fiscal Year Ended June 30	Annual Required Contribution	Percentage Contributed
2008	15,132,083	31.30%
2009	15,059,095	29.90%

The District adopted GASB 45 effective July 1, 2007, therefore only two years of contribution information is available.

Unaudited – see accompanying independent auditors' report.



**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**



Nonmajor Governmental Funds

Special Revenue Funds

- **Food Services Fund** – Accounts for and reports on activities of the food service program.

Debt Service Funds

The Debt Service Funds account for the payment of interest and principal of the current portion of long-term debt, primarily from tax proceeds and earnings on temporary investments

- **State Board of Education Bond Funds** – Accounts for and reports on payments of principal, interest and related costs on various bond issues serviced by the State.
- **Special Act Bond Funds** - Accounts for and reports on the payment of principal, interest and related costs on bonds that are secured by the portion of the State racetrack funds.

Capital Projects Funds

The Capital Projects Funds account for the financing and acquisition or construction of major capital facilities, such as new school buildings and additions to existing buildings, or for major renovation projects

- **Capital Outlay Bond Issue Funds** – Accounts for and reports on bond issue proceeds received from the State Board of Education and issued at the request of the District.
 - **Special Act Bond Racetrack Funds** - Accounts for and reports on funds received from racetrack funds.
 - **Public Education Capital Outlay Funds (PECO)** - Accounts for and reports on funds received from the State for the construction and maintenance of schools.
 - **Capital Outlay & Debt Service Funds** - Accounts for and reports on funds received from the State Board of Education Capital Outlay Bonds.
-

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

**COMBINING BALANCE SHEET
NON MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009
(amounts expressed in thousands)**

	Special Revenue	
	Food Services	Total
ASSETS		
Cash	\$ 142	\$ 142
Investments	3,961	3,961
Accounts receivable	230	230
Due from other governmental agencies	1,971	1,971
Due from other funds	96	96
Inventories	605	605
Total assets	<u>\$ 7,005</u>	<u>\$ 7,005</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 537	\$ 537
Due to other funds	386	386
Deferred revenue	632	632
Total liabilities	<u>1,555</u>	<u>1,555</u>
Fund balances:		
Reserved for:		
Encumbrances	226	226
Debt service	-	-
Unreserved, reported in:		
Special revenue funds	5,224	5,224
Capital projects funds	-	-
Total fund balances	<u>5,450</u>	<u>5,450</u>
Total liabilities and fund balances	<u>\$ 7,005</u>	<u>\$ 7,005</u>

Debt Service		
State Board of Education Bond Funds	Special Act Bond Funds	Total
\$ -	\$ -	\$ -
1,464	672	2,136
-	-	-
-	-	-
-	-	-
<u>\$ 1,464</u>	<u>\$ 672</u>	<u>\$ 2,136</u>
\$ -	\$ -	\$ -
-	-	-
-	-	-
-	-	-
1,464	672	2,136
-	-	-
<u>\$ 1,464</u>	<u>\$ 672</u>	<u>\$ 2,136</u>

(Continued)

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

**COMBINING BALANCE SHEET
NON MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009
(amounts expressed in thousands)**

	Capital Outlay Bond Issue Funds	Special Act Bond Racetrack Fund	Public Education Capital Outlay Funds
ASSETS			
Cash	\$ 5,153	\$ -	\$ -
Investments	302	299	3,614
Accounts receivable	-	-	-
Due from other governmental agencies	-	-	35,060
Due from other funds	-	-	22
Inventories	-	-	-
Total assets	<u>\$ 5,455</u>	<u>\$ 299</u>	<u>\$ 38,696</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 54	\$ -	\$ 6,347
Due to other funds	2	-	1,672
Deferred revenue	-	-	-
Total liabilities	<u>56</u>	<u>-</u>	<u>8,019</u>
Fund balances			
Reserved for:			
Encumbrances	95	103	9,313
Debt service	-	-	-
Unreserved, reported in:			
Special revenue funds	-	-	-
Capital projects funds	5,304	196	21,364
Total fund balances	<u>5,399</u>	<u>299</u>	<u>30,677</u>
Total liabilities and fund balances	<u>\$ 5,455</u>	<u>\$ 299</u>	<u>\$ 38,696</u>

Capital Projects			
Capital Outlay and Debt Service Funds		Total	Total Nonmajor Governmental Funds
\$ 770	\$	5,923	\$ 6,065
3,115		7,330	13,427
-		-	230
-		35,060	37,031
-		22	118
-		-	605
<u>\$ 3,885</u>	<u>\$</u>	<u>48,335</u>	<u>\$ 57,476</u>
\$ 1	\$	6,402	\$ 6,939
8		1,682	2,068
-		-	632
<u>9</u>		<u>8,084</u>	<u>9,639</u>
4		9,515	9,741
-		-	2,136
-		-	5,224
3,872		30,736	30,736
3,876		40,251	47,837
<u>\$ 3,885</u>	<u>\$</u>	<u>48,335</u>	<u>\$ 57,476</u>

See accompanying independent auditors' report.

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(amounts expressed in thousands)**

	Special Revenue	
	Food Services	Total
REVENUES		
Local sources:		
Food services	\$ 31,549	\$ 31,549
Interest income	6	6
Other	98	98
Total local sources	31,653	31,653
State sources:		
Public education capital outlay	-	-
Food services	1,470	1,470
Other	9	9
Total state sources	1,479	1,479
Federal sources:		
Food services	58,220	58,220
Total federal sources	58,220	58,220
Total revenues	91,352	91,352
EXPENDITURES		
Current:		
Facilities acquisition and construction	-	-
Food services	85,226	85,226
Debt Service:		
Principal retirement	-	-
Interest	-	-
Dues, fees and other	-	-
Capital outlay		
Facilities acquisition and construction	-	-
Other capital outlay	728	728
Total expenditures	85,954	85,954
Excess (deficiency) of revenues over (under) expenditures	5,398	5,398
OTHER FINANCING SOURCES (USES):		
Total other financing sources and uses	-	-
Net change in fund balances	5,398	5,398
Fund balances - beginning	52	52
Fund balances - ending	\$ 5,450	\$ 5,450

		Debt Service	
State Board of Education Bond Funds		Special Act Bond Funds	Total
\$	-	\$	-
	-		4
	-		-
	-		4
	-		-
	-		-
	6,571	447	7,018
	6,571	447	7,018
	-	-	-
	-	-	-
	6,571	451	7,022
(Continued)			
	-	-	-
	-	-	-
	3,870	222	4,092
	2,679	138	2,817
	5	-	5
	-	-	-
	-	-	-
	6,554	360	6,914
	17	91	108
	-	-	-
	17	91	108
	1,447	581	2,028
\$	1,464	\$	672
		\$	2,136

(Continued)

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(amounts expressed in thousands)**

	Capital Outlay Bond Issue Funds	Special Act Bond Racetrack Fund	Public Education Capital Outlay Funds
REVENUES			
Local sources:			
Food services	\$ -	\$ -	\$ -
Interest income	57	6	24
Other	-	34	7
Total local sources	57	40	31
State sources:			
Public education capital outlay	-	-	16,962
Food services	-	-	-
Other	-	-	-
Total state sources	-	-	16,962
Federal sources:			
Food services	-	-	-
Total federal sources	-	-	-
Total revenues	57	40	16,993
EXPENDITURES:			
Current:			
Facilities acquisition and construction	88	196	6,691
Food services	-	-	-
Debt Service:			
Principal retirement	-	-	-
Interest	-	-	-
Dues, fees and other	-	-	-
Capital outlay			
Facilities acquisition and construction	700	91	31,957
Other capital outlay	-	-	-
Total expenditures	788	287	38,648
Excess (deficiency) of revenues over (under) expenditures	(731)	(247)	(21,655)
OTHER FINANCING SOURCES (USES):			
Total other financing sources and uses	-	-	-
Net change in fund balances	(731)	(247)	(21,655)
Fund balances - beginning	6,130	546	52,332
Fund balances - ending	\$ 5,399	\$ 299	\$ 30,677

See accompanying independent auditors' report.

Capital Projects Capital Outlay and Debt Service Funds	Total	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 31,549
47	134	144
16	57	155
63	191	31,848
-	16,962	16,962
-	-	1,470
1,097	1,097	8,124
1,097	18,059	26,556
-	-	58,220
-	-	58,220
1,160	18,250	116,624
269	7,244	7,244
-	-	85,226
-	-	4,092
-	-	2,817
4	4	9
105	32,853	32,853
-	-	728
378	40,101	132,969
782	(21,851)	(16,345)
-	-	-
782	(21,851)	(16,345)
3,094	62,102	64,182
\$ 3,876	\$ 40,251	\$ 47,837



THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

**NON MAJOR SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(amounts expressed in thousands)**

	Food Services Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts			
	Original	Final	Actual	
REVENUES:				
Local sources:				
Food services	\$ 32,420	\$ 31,572	\$ 31,549	\$ (23)
Interest income	12	6	6	-
Other	81	98	98	-
Total local sources	32,513	31,676	31,653	(23)
State sources:				
Food services	1,450	1,470	1,470	-
Other	-	9	9	-
Total state sources	1,450	1,479	1,479	-
Federal sources:				
Food services	52,866	58,220	58,220	-
Total federal sources	52,866	58,220	58,220	-
Total revenues	86,829	91,375	91,352	(23)
EXPENDITURES:				
Current:				
Food services	86,776	90,521	85,226	5,295
Capital outlay	-	728	728	-
Total expenditures	86,776	91,249	85,954	5,295
Excess (deficiency) of revenues over (under) expenditures	53	126	5,398	5,272
OTHER FINANCING SOURCES (USES):				
Total other financing sources and uses	-	-	-	-
Net change in fund balance	53	126	5,398	5,272
Fund balance - beginning	52	52	52	-
Fund balance - ending	\$ 105	\$ 178	\$ 5,450	\$ 5,272

See accompanying independent auditors' report.

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

DEBT SERVICE FUNDS

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(amounts expressed in thousands)**

	State Board of Education Bond Funds			
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Local sources:				
Local sales tax	\$ -	\$ -	\$ -	\$ -
Interest income	-	-	-	-
Total local sources	-	-	-	-
State sources:				
Capital Outlay and debt service withheld for SBE/COBI bonds	6,569	6,569	6,569	-
SBE/COBI bond interest	17	2	2	-
Racing commission funds	-	-	-	-
Total state sources	6,586	6,571	6,571	-
Total revenues	6,586	6,571	6,571	-
EXPENDITURES:				
Principal retirement	3,870	3,870	3,870	-
Interest	2,716	2,679	2,679	-
Dues, fees and other	-	5	5	-
Total expenditures	6,586	6,554	6,554	-
Excess (deficiency) of revenues over (under) expenditures	-	17	17	-
OTHER FINANCING SOURCES (USES):				
Premium on sale of certificates of participation	-	-	-	-
Refunding certificates of participation	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources and uses	-	-	-	-
Net change in fund balances	-	17	17	-
Fund balances - beginning	1,447	1,447	1,447	-
Fund balances - ending	\$ 1,447	\$ 1,464	\$ 1,464	\$ -

	Special Act Bond Funds				Other Debt Service Funds			
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,000	\$ 25,000	\$ 22,892	(2,108)
5	5	4	(1)		6,793	2,405	705	(1,700)
5	5	4	(1)		30,793	27,405	23,597	(3,808)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
447	447	447	-	-	-	-	-	-
447	447	447	-	-	-	-	-	-
452	452	451	(1)		30,793	27,405	23,597	(3,808)
222	222	222	-		30,930	30,930	30,930	-
138	138	138	-		53,812	57,186	55,337	1,849
10	1	-	1		1,393	1,415	1,293	122
370	361	360	1		86,135	89,531	87,560	1,971
82	91	91	-		(55,342)	(62,126)	(63,963)	(1,837)
-	-	-	-	-	-	1,095	1,095	-
-	-	-	-	-	-	109,830	109,830	-
-	-	-	-	-	-	(110,570)	(110,570)	-
-	-	-	-	-	67,716	67,720	66,504	(1,216)
-	-	-	-	-	(3,866)	(3,866)	(3,860)	6
-	-	-	-	-	63,850	64,209	62,999	(1,210)
82	91	91	-		8,508	2,083	(964)	(3,047)
581	581	581	-		89,119	89,119	89,119	-
\$ 663	\$ 672	\$ 672	\$ -		\$ 97,627	\$ 91,202	\$ 88,155	\$ (3,047)

(Continued)

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

**DEBT SERVICE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(amounts expressed in thousands)**

	Totals			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES:				
Local sources:				
Local sales tax	\$ 24,000	\$ 25,000	\$ 22,892	\$ (2,108)
Interest income	6,798	2,410	709	(1,701)
Total local sources	30,798	27,410	23,601	(3,809)
State sources:				
Capital Outlay and debt service withheld for SBE/COBI bonds	6,569	6,569	6,569	-
SBE/COBI bond interest	17	2	2	-
Racing commission funds	447	447	447	-
Total state sources	7,033	7,018	7,018	-
Total revenues	37,831	34,428	30,619	(3,809)
EXPENDITURES:				
Principal retirement	35,022	35,022	35,022	-
Interest	56,666	60,003	58,154	1,849
Dues, fees and other	1,403	1,421	1,298	123
Total expenditures	93,091	96,446	94,474	1,972
Excess (deficiency) of revenues over (under) expenditures	(55,260)	(62,018)	(63,855)	(1,837)
OTHER FINANCING SOURCES (USES):				
Premium on sale of certificates of participation	-	1,095	1,095	-
Refunding certificates of participation	-	109,830	109,830	-
Payments to refunded bond escrow agent	-	(110,570)	(110,570)	-
Transfers in	67,716	67,720	66,504	(1,216)
Transfers out	(3,866)	(3,866)	(3,860)	6
Total other financing sources and uses	63,850	64,209	62,999	(1,210)
Net change in fund balances	8,590	2,191	(856)	(3,047)
Fund balances - beginning	91,147	91,147	91,147	-
Fund balances - ending	\$ 99,737	\$ 93,338	\$ 90,291	\$ (3,047)

See accompanying independent auditors' report.



THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

CAPITAL PROJECTS FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
 (amounts expressed in thousands)

	Capital Outlay Bond Issue Funds			
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Local sources:				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Interest income	51	63	57	(6)
Other	-	-	-	-
Total local sources	51	63	57	(6)
State sources:				
Public education capital outlay	-	-	-	-
Capital outlay distributed to district	-	-	-	-
Interest on undistributed CO & DS	-	-	-	-
Other	-	-	-	-
Total state sources	-	-	-	-
Total revenues	51	63	57	(6)
EXPENDITURES:				
Current				
Facilities acquisition and construction	4,374	5,486	88	5,398
Debt Service				
Dues, fees and other	-	-	-	-
Capital outlay				
Facilities acquisition and construction	-	700	700	-
Total expenditures	4,374	6,186	788	5,398
Excess (deficiency) of revenues over (under) expenditures	(4,323)	(6,123)	(731)	5,392
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources and uses	-	-	-	-
Net change in fund balances	(4,323)	(6,123)	(731)	5,392
Fund balances - beginning	6,130	6,130	6,130	-
Fund balances - ending	\$ 1,807	\$ 7	\$ 5,399	\$ 5,392

	Special Act Bond Racetrack Fund				Public Education Capital Outlay Funds			
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	6	6	-	136	135	24	(111)	
-	34	34	-	7	7	-	-	
6	40	40	-	136	142	31	(111)	
-	-	-	-	16,962	16,962	16,962	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	16,962	16,962	16,962	-	
6	40	40	-	17,098	17,104	16,993	(111)	
9	494	196	298	50,016	37,367	6,691	30,676	
-	-	-	-	-	-	-	-	
-	91	91	-	-	31,957	31,957	-	
9	585	287	298	50,016	69,324	38,648	30,676	
(3)	(545)	(247)	298	(32,918)	(52,220)	(21,655)	30,565	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
(3)	(545)	(247)	298	(32,918)	(52,220)	(21,655)	30,565	
546	546	546	-	52,332	52,332	52,332	-	
\$ 543	\$ 1	\$ 299	\$ 298	\$ 19,414	\$ 112	\$ 30,677	\$ 30,565	

(Continued)

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

**CAPITAL PROJECTS FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(amounts expressed in thousands)**

	Capital Outlay & Debt Service Funds			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts			
	Original	Final	Actual	
REVENUES:				
Local sources:				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Interest income	80	47	47	-
Other	-	16	16	-
Total local sources	80	63	63	-
State sources:				
Public education capital outlay	-	-	-	-
Capital outlay distributed to district	1,019	1,019	1,019	-
Interest on undistributed CO & DS	175	174	78	(96)
Other	-	-	-	-
Total state sources	1,194	1,193	1,097	(96)
Total revenues	1,274	1,256	1,160	(96)
EXPENDITURES:				
Current				
Facilities acquisition and construction	1,320	983	269	714
Debt Service				
Dues, fees and other	-	4	4	-
Capital outlay				
Facilities acquisition and construction	-	105	105	-
Total expenditures	1,320	1,092	378	714
Excess (deficiency) of revenues over (under) expenditures	(46)	164	782	618
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources and uses	-	-	-	-
Net change in fund balances	(46)	164	782	618
Fund balances - beginning	3,094	3,094	3,094	-
Fund balances - ending	\$ 3,048	\$ 3,258	\$ 3,876	\$ 618

	Local Capital Improvement Funds				Certificates of Participation Funds			
	Budgeted Amounts		Variance with Final Budget - Positive (Negative)		Budgeted Amounts		Variance with Final Budget - Positive (Negative)	
	Original	Final			Original	Final		
\$ 149,118	\$ 150,333	\$ 150,328	\$ (5)	\$ 5,573	\$ -	\$ -	\$ -	\$ -
2,730	2,497	1,476	(1,021)	5,573	5,449	3,356	(2,093)	
-	1,418	1,418	-	-	-	-	-	
151,848	154,248	153,222	(1,026)	5,573	5,449	3,356	(2,093)	
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
151,848	154,248	153,222	(1,026)	5,573	5,449	3,356	(2,093)	
43,834	182,195	29,606	152,589	11,136	74,322	3,018	71,304	
-	-	-	-	-	-	-	-	-
-	34,343	34,343	-	-	111,380	111,380	-	
43,834	216,538	63,949	152,589	11,136	185,702	114,398	71,304	
108,014	(62,290)	89,273	151,563	(5,563)	(180,253)	(111,042)	69,211	
-	11,620	11,620	-	-	-	-	-	-
(63,850)	(63,850)	(62,640)	1,210	-	(4)	(4)	-	-
(63,850)	(52,230)	(51,020)	1,210	-	(4)	(4)	-	-
44,164	(114,520)	38,253	152,773	(5,563)	(180,257)	(111,046)	69,211	
116,322	116,322	116,322	-	188,000	188,000	188,000	-	
\$ 160,486	\$ 1,802	\$ 154,575	\$ 152,773	\$ 182,437	\$ 7,743	\$ 76,954	\$ 69,211	

(Continued)

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

CAPITAL PROJECTS FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
 (amounts expressed in thousands)

	Other Capital Projects Funds			
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Local sources:				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Interest income	350	389	281	(108)
Other	2,547	12,908	11,748	(1,160)
Total local sources	2,897	13,297	12,029	(1,268)
State sources:				
Public education capital outlay	-	-	-	-
Capital outlay distributed to district	-	-	-	-
Interest on undistributed CO & DS	-	-	-	-
Other	-	2,486	2,486	-
Total state sources	-	2,486	2,486	-
Total revenues	2,897	15,783	14,515	(1,268)
EXPENDITURES:				
Current				
Facilities acquisition and construction	68,734	69,568	6,532	63,036
Debt Service				
Dues, fees and other	-	-	-	-
Capital outlay				
Facilities acquisition and construction	-	43,050	43,050	-
Total expenditures	68,734	112,618	49,582	63,036
Excess (deficiency) of revenues over (under) expenditures	(65,837)	(96,835)	(35,067)	61,768
OTHER FINANCING SOURCES (USES):				
Transfers in	-	24	-	(24)
Transfers out	(2,547)	(13,258)	(13,258)	-
Total other financing sources and uses	(2,547)	(13,234)	(13,258)	(24)
Net change in fund balances	(68,384)	(110,069)	(48,325)	61,744
Fund balances - beginning	110,672	110,672	110,672	-
Fund balances - ending	\$ 42,288	\$ 603	\$ 62,347	\$ 61,744

See accompanying independent auditors' report.

Totals			
Budgeted Amounts			Variance with Final Budget - Positive (Negative)
Original	Final	Actual	
\$ 149,118	\$ 150,333	\$ 150,328	\$ (5)
8,926	8,586	5,247	(3,339)
2,547	14,383	13,223	(1,160)
160,591	173,302	168,798	(4,504)
16,962	16,962	16,962	-
1,019	1,019	1,019	-
175	174	78	(96)
-	2,486	2,486	-
18,156	20,641	20,545	(96)
178,747	193,943	189,343	(4,600)
179,423	370,415	46,400	324,015
-	4	4	-
-	221,626	221,626	-
179,423	592,045	268,030	324,015
(676)	(398,102)	(78,687)	319,415
-	11,644	11,620	(24)
(66,397)	(77,112)	(75,902)	1,210
(66,397)	(65,468)	(64,282)	1,186
(67,073)	(463,570)	(142,969)	320,601
477,096	477,096	477,096	-
\$ 410,023	\$ 13,526	\$ 334,127	\$ 320,601



Internal Service Funds

The Internal Service Funds account for the cost of the District's Insurance Funds

- **Workers Compensation Fund** - Accounts for and reports on the workers' compensation program.
 - **Liability Self-Insurance Liability Fund** - Accounts for and reports on the automobile and general liability programs.
 - **Group Health Insurance Fund** - Accounts for and reports on the health insurance program.
-

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY**INTERNAL SERVICE FUNDS****COMBINING STATEMENT OF NET ASSETS****JUNE 30, 2009****(amounts expressed in thousands)**

	Workers Compensation Fund	Liability Self Insurance Fund
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 8,272	\$ -
Investments	91,078	8,536
Accounts receivable	13	35
Due from other governmental agencies	-	-
Total assets	<u>\$ 99,363</u>	<u>\$ 8,571</u>
LIABILITIES		
Current liabilities:		
Accounts payable	\$ -	\$ 8
Deferred revenue	-	-
Estimated liability for claims	5,955	1,589
Total current liabilities	<u>5,955</u>	<u>1,597</u>
Noncurrent liabilities:		
Estimated liability for claims	5,593	2,042
Total noncurrent liabilities	<u>5,593</u>	<u>2,042</u>
Total liabilities	<u>11,548</u>	<u>3,639</u>
NET ASSETS		
Unrestricted	87,815	4,932
Total net assets	<u>87,815</u>	<u>4,932</u>
Total net assets and liabilities	<u>\$ 99,363</u>	<u>\$ 8,571</u>

Group Health Insurance Fund	Totals
\$ -	\$ 8,272
18,631	118,245
96	144
668	668
<u>\$ 19,395</u>	<u>\$ 127,329</u>
\$ 12,320	\$ 12,328
7,075	7,075
-	7,544
<u>19,395</u>	<u>26,947</u>
-	7,635
-	7,635
<u>19,395</u>	<u>34,582</u>
-	92,747
-	92,747
<u>\$ 19,395</u>	<u>\$ 127,329</u>

See accompanying independent auditors' report.

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY**INTERNAL SERVICE FUNDS****COMBINING STATEMENT OF REVENUES, EXPENSES AND****CHANGES IN FUND NET ASSETS****FOR THE FISCAL YEAR ENDED JUNE 30, 2009****(amounts expressed in thousands)**

	Workers Compensation Fund	Liability Self Insurance Fund
OPERATING REVENUES:		
Premium revenue from other funds	\$ 22,232	\$ -
Other revenue	1,290	127
Total operating revenues	23,522	127
OPERATING EXPENSES:		
Salaries	614	-
Benefits	232	-
Purchased services	381	26
Claims, premiums and other	6,137	1,667
Total operating expenses	7,364	1,693
Operating income (loss)	16,158	(1,566)
NON-OPERATING REVENUE:		
Interest	1,162	101
Total non-operating revenue	1,162	101
Income (loss) before transfers	17,320	(1,465)
TRANSFERS IN	-	2,570
Change in net assets	17,320	1,105
Total net assets - beginning	70,495	3,827
Total net assets - ending	\$ 87,815	\$ 4,932

Group Health Insurance Fund	Totals
\$ 144,119	\$ 166,351
-	1,417
144,119	167,768
-	614
-	232
-	407
144,119	151,923
144,119	153,176
-	14,592
-	1,263
-	1,263
-	15,855
-	2,570
-	18,425
-	74,322
\$ -	\$ 92,747

See accompanying independent auditors' report.

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY**INTERNAL SERVICE FUNDS****COMBINING STATEMENT OF CASH FLOWS****FOR THE FISCAL YEAR ENDED JUNE 30, 2009****(amounts expressed in thousands)**

	Workers Compensation Fund	Liability Self Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from interfund services provided	\$ 22,232	\$ -
Payment to suppliers	(7,704)	(2,192)
Payment to employees	(845)	-
Other receipts	1,277	93
Net cash provided by (used in) operating activities	<u>14,960</u>	<u>(2,099)</u>
CASH FLOWS FROM NON CAPITAL AND RELATED FINANCING ACTIVITIES:		
Transfers from other funds	-	2,570
Net cash provided by (used in) noncapital and related financing activities	<u>-</u>	<u>2,570</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales and maturities of investments	-	-
Purchase of investments	(17,752)	(681)
Interest and dividends earned on investments	1,162	101
Net cash provided by (used in) investing activities	<u>(16,590)</u>	<u>(580)</u>
Net increase in cash and cash equivalents	(1,630)	(109)
Cash and cash equivalents- Beginning of year	<u>9,902</u>	<u>109</u>
Cash and cash equivalents- End of year	<u>\$ 8,272</u>	<u>\$ -</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ 16,158	\$ (1,566)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	(13)	(34)
(Increase) decrease in due from other governmental agencies	-	-
(Increase) decrease in accounts payable	-	8
Increase (decrease) in estimated liability for long-term claims	(1,185)	(507)
Increase (decrease) in deferred revenue	-	-
Total adjustments	<u>(1,198)</u>	<u>(533)</u>
Net cash provided by (used in) operating activities	<u>\$ 14,960</u>	<u>\$ (2,099)</u>

See accompanying independent auditors' report.

Group Health Insurance Fund	Totals
\$ 144,599	\$ 166,831
(143,688)	(153,584)
-	(845)
-	1,370
<u>911</u>	<u>13,772</u>
-	2,570
<u>-</u>	<u>2,570</u>
(9,810)	(9,810)
-	(18,433)
-	1,263
<u>(9,810)</u>	<u>(26,980)</u>
(8,899)	(10,638)
<u>8,899</u>	<u>18,910</u>
<u>\$ -</u>	<u>\$ 8,272</u>
\$ -	\$ 14,592
(37)	(84)
8	8
423	431
-	(1,692)
<u>517</u>	<u>517</u>
<u>911</u>	<u>(820)</u>
<u>\$ 911</u>	<u>\$ 13,772</u>



Agency Funds

The Agency Funds account for resources held by the District as custodian for others

- **School Activity Fund** - Accounts for and reports on the school's activity funds.
 - **Extended Year Fund** - Accounts for and reports on funds withheld to be paid at a later date.
 - **Miscellaneous Depository Fund** – Accounts for and reports on the deposits held by the District on behalf of others.
-

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES****AGENCY FUNDS****FOR THE FISCAL YEAR ENDED JUNE 30, 2009****(amounts expressed in thousands)**

	School Activity Fund			
	Balances July 1, 2008	Additions	Deductions	Balances June 30, 2009
ASSETS				
Cash	\$ 13,239	\$ 13,193	\$ 13,238	\$ 13,194
Investments	4,246	149	226	4,169
Accounts receivable	26	17	26	17
Inventory	313	279	313	279
Total assets	<u>\$ 17,824</u>	<u>\$ 13,638</u>	<u>\$ 13,803</u>	<u>\$ 17,659</u>
LIABILITIES				
Accounts payable	\$ 1,224	\$ 1,283	\$ 1,224	\$ 1,283
Due to student organizations	16,600	25,194	25,418	16,376
Payroll deductions	-	-	-	-
Total liabilities	<u>\$ 17,824</u>	<u>\$ 26,477</u>	<u>\$ 26,642</u>	<u>\$ 17,659</u>

	Extended Year Fund			
	Balances July 1, 2008	Additions	Deductions	Balances June 30, 2009
	\$ 11,948	\$ -	\$ 11,948	\$ -
	10,963	24,907	10,963	24,907
	-	-	-	-
	-	-	-	-
	<u>\$ 22,911</u>	<u>\$ 24,907</u>	<u>\$ 22,911</u>	<u>\$ 24,907</u>
	\$ -	\$ -	\$ -	-
	-	-	-	-
	22,911	24,907	22,911	24,907
	<u>\$ 22,911</u>	<u>\$ 24,907</u>	<u>\$ 22,911</u>	<u>\$ 24,907</u>

(Continued)

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

(amounts expressed in thousands)

	Miscellaneous Depository Fund			
	Balances July 1, 2008	Additions	Deductions	Balances June 30, 2009
ASSETS				
Cash	\$ 29	\$ -	\$ -	\$ 29
Investments	-	-	-	-
Accounts receivable	-	-	-	-
Inventory	-	-	-	-
Total assets	<u>\$ 29</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29</u>
LIABILITIES				
Accounts payable	\$ 29	\$ -	\$ -	\$ 29
Due to student organizations	-	-	-	-
Payroll deductions	-	-	-	-
Total liabilities	<u>\$ 29</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29</u>

See accompanying independent auditors' report.

	Totals			
	Balances July 1, 2008	Additions	Deductions	Balances June 30, 2009
\$ 25,216	\$ 13,193	\$ 25,186	\$ 13,223	
15,209	25,056	11,189	29,076	
26	17	26	17	
313	279	313	279	
<u>\$ 40,764</u>	<u>\$ 38,545</u>	<u>\$ 36,714</u>	<u>\$ 42,595</u>	
\$ 1,253	\$ 1,283	\$ 1,224	\$ 1,312	
16,600	25,194	25,418	16,376	
22,911	24,907	22,911	24,907	
<u>\$ 40,764</u>	<u>\$ 51,384</u>	<u>\$ 49,553</u>	<u>\$ 42,595</u>	



Component Units

- **Discretely Presented Component Units** - Accounts for and reports on the Hillsborough Education Foundation and the various Charter Schools
-

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

**STATEMENT OF NET ASSETS
DISCRETELY PRESENTED COMPONENT UNITS
JUNE 30, 2009
(amounts expressed in thousands)**

	Brooks DeBartolo High School	Community Charter School of Excellence	Florida Autism Charter School of Excellence	Hope Preparatory Academy	Kid's Community School	Learning Gate Charter School
ASSETS						
Cash	\$ 147	\$ 60	\$ 37	\$ 216	\$ 134	\$ 84
Investments	-	-	-	-	-	1,338
Accounts receivable, net	114	12	1	18	-	30
Due from other governmental agencies	29	-	91	-	14	23
Deferred charges	7	-	-	-	-	541
Prepaid items	-	-	1	-	-	-
Capital Assets (Net of accumulated depreciation):						
Land	-	-	-	-	-	572
Land improvements	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	304
Improvements other than buildings	-	-	-	-	-	118
Buildings and systems	2,243	7	191	34	33	5,190
Furniture, fixtures and equipment	364	57	140	55	4	-
Motor vehicles	-	-	5	-	-	-
Property under capital leases	-	-	-	-	-	-
Audio visual materials	-	-	24	-	-	-
Total assets	<u>\$ 2,904</u>	<u>\$ 136</u>	<u>\$ 490</u>	<u>\$ 323</u>	<u>\$ 185</u>	<u>\$ 8,200</u>
LIABILITIES						
Accounts payable	\$ 77	\$ 103	\$ 22	\$ -	\$ 6	\$ 3
Salaries and wages payable	-	-	-	-	-	79
Accrued payroll taxes and withholdings	-	-	-	-	-	-
Due to other governmental agencies	-	-	108	-	-	-
Deferred revenue	109	-	-	-	-	-
Noncurrent liabilities:						
Due within one year	174	-	-	-	-	85
Due in more than one year	2,564	-	-	-	-	7,310
Total liabilities	<u>2,924</u>	<u>103</u>	<u>130</u>	<u>-</u>	<u>6</u>	<u>7,477</u>
NET ASSETS						
Invested in capital assets, net of related debt	24	64	360	89	37	(1,210)
Restricted for:						
Debt service	-	-	-	-	-	1,338
Capital outlay	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-
Unrestricted (deficit)	(44)	(31)	-	234	142	595
Total net assets	<u>(20)</u>	<u>33</u>	<u>360</u>	<u>323</u>	<u>179</u>	<u>723</u>
Total liabilities and net assets	<u>\$ 2,904</u>	<u>\$ 136</u>	<u>\$ 490</u>	<u>\$ 323</u>	<u>\$ 185</u>	<u>\$ 8,200</u>

Literacy Leadership Technology Academy MS	Literacy Leadership Technology Academy HS	Mount Pleasant Charter School	Pepin Charter School of Tampa	Quest Middle School	Richardson Academy Charter School
\$ 66	\$ 10	\$ 355	\$ 409	\$ 389	\$ 322
-	-	-	-	-	-
62	-	-	9	14	19
15	17	17	-	-	-
-	-	-	-	-	-
-	-	-	-	-	4
-	-	-	-	-	-
-	-	-	1,237	-	208
-	-	-	-	-	-
-	-	-	-	-	41
-	-	-	-	-	9
165	28	-	2,775	8	-
7	-	10	47	81	22
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 315</u>	<u>\$ 55</u>	<u>\$ 382</u>	<u>\$ 4,477</u>	<u>\$ 492</u>	<u>\$ 625</u>
\$ 19	\$ 62	\$ 4	\$ 67	\$ 1	\$ 18
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	136	-
101	11	-	3,383	-	-
35	14	-	221	-	-
<u>155</u>	<u>87</u>	<u>4</u>	<u>3,671</u>	<u>137</u>	<u>18</u>
36	3	10	455	89	280
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	5	-	-
124	(35)	368	346	266	327
160	(32)	378	806	355	407
<u>\$ 315</u>	<u>\$ 55</u>	<u>\$ 382</u>	<u>\$ 4,477</u>	<u>\$ 492</u>	<u>\$ 625</u>

(Continued)

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY
STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
JUNE 30, 2009
 (amounts expressed in thousands)

	Shiloh Elementary Charter School	Tampa Bay Academy Charter School	Tampa Charter School	Tampa Transitional Charter School	Terrace Community Charter School	Trinity Charter School
ASSETS						
Cash	\$ 221	\$ 31	\$ 177	\$ 219	\$ 1,257	\$ 88
Investments	-	-	-	-	-	-
Accounts receivable, net	-	-	27	29	-	127
Due from other governmental agencies	-	255	-	-	-	-
Deferred charges	-	-	-	-	240	137
Prepaid items	4	-	-	-	-	-
Capital Assets (Net of accumulated depreciation):						
Land	-	-	-	-	2,525	1,532
Land improvements	-	-	-	-	-	13
Construction in progress	-	-	-	-	-	-
Improvements other than buildings	-	-	-	-	-	-
Buildings and systems	305	69	15	19	2,966	5,655
Furniture, fixtures and equipment	11	16	2	-	58	57
Motor vehicles	-	34	-	-	-	-
Property under capital leases	-	-	-	-	-	35
Audio visual materials	-	-	-	-	192	-
Total assets	<u>\$ 541</u>	<u>\$ 405</u>	<u>\$ 221</u>	<u>\$ 267</u>	<u>\$ 7,238</u>	<u>\$ 7,644</u>
LIABILITIES						
Accounts payable	\$ 17	\$ 19	\$ 47	\$ -	\$ 118	\$ 270
Salaries and wages payable	137	62	-	-	-	150
Accrued payroll taxes and withholdings	-	-	-	-	212	-
Due to other governmental agencies	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	67
Noncurrent liabilities:						
Due within one year	52	-	-	-	85	263
Due in more than one year	148	-	-	-	5,896	6,145
Total liabilities	<u>354</u>	<u>81</u>	<u>47</u>	<u>-</u>	<u>6,311</u>	<u>6,895</u>
NET ASSETS						
Invested in capital assets, net of related debt	142	119	17	19	740	867
Restricted for:						
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-
Unrestricted (deficit)	45	205	157	248	187	(118)
Total net assets	<u>187</u>	<u>324</u>	<u>174</u>	<u>267</u>	<u>927</u>	<u>749</u>
Total liabilities and net assets	<u>\$ 541</u>	<u>\$ 405</u>	<u>\$ 221</u>	<u>\$ 267</u>	<u>\$ 7,238</u>	<u>\$ 7,644</u>

See accompanying independent auditors' report

Trinity Upper Charter School	The Village of Excellence Charter School	Walton Academy Charter School	Hillsborough Education Foundation	TOTALS Component Units
\$ -	\$ 65	\$ 415	\$ 349	\$ 5,051
-	-	-	3,698	5,036
-	-	1	485	948
-	16	49	-	526
-	-	-	-	925
-	-	2	3,264	3,275
-	-	-	-	6,074
-	-	-	-	13
-	-	-	-	345
-	-	-	-	127
-	-	35	-	19,738
-	44	35	109	1,119
-	-	-	-	39
-	-	-	-	35
-	-	-	-	216
<u>\$ -</u>	<u>\$ 125</u>	<u>\$ 537</u>	<u>\$ 7,905</u>	<u>\$ 43,467</u>
\$ 106	\$ 1	\$ 57	\$ 658	\$ 1,675
54	-	-	-	482
-	-	-	-	212
-	-	-	-	108
4	-	-	55	371
-	-	-	-	4,154
-	-	-	-	22,333
<u>164</u>	<u>1</u>	<u>57</u>	<u>713</u>	<u>29,335</u>
-	44	70	109	2,364
-	-	-	-	1,338
-	-	-	-	-
-	-	-	6,313	6,318
(164)	80	410	770	8,112
(164)	124	480	7,192	14,132
<u>\$ -</u>	<u>\$ 125</u>	<u>\$ 537</u>	<u>\$ 7,905</u>	<u>\$ 43,467</u>

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

**STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(amounts expressed in thousands)**

	Brooks DeBartolo High School	Community Charter School of Excellence	Florida Autism Charter School of Excellence	Hope Preparatory Academy	Kid's Community School	Learning Gate Charter School
EXPENSES						
Instructional services	\$ 949	\$ 441	\$ 639	\$ 540	\$ 758	\$ 2,157
Instructional support services	69	39	253	87	2	-
Pupil transportation services	5	-	9	-	-	-
Operation and maintenance of plant	190	158	96	76	114	330
Facilities acquisition and construction	267	-	63	-	242	-
School administration	288	121	167	226	357	542
General administration	111	191	142	5	89	233
Food services	138	14	15	41	68	66
Community services and other	53	3	15	-	17	-
Interest on long term debt	212	-	-	62	-	491
Unallocated depreciation/amortization expense	248	-	83	-	7	238
Total expenses	<u>\$ 2,530</u>	<u>\$ 967</u>	<u>\$ 1,482</u>	<u>\$ 1,037</u>	<u>\$ 1,654</u>	<u>\$ 4,057</u>
PROGRAM REVENUES						
Charges for services	\$ 25	\$ -	\$ 19	\$ 15	\$ 112	\$ 51
Operating grants and contributions	261	225	-	36	-	-
Capital grants and contributions	198	-	-	-	121	-
Net program expenses	<u>(2,046)</u>	<u>(742)</u>	<u>(1,463)</u>	<u>(986)</u>	<u>(1,421)</u>	<u>(4,006)</u>
GENERAL REVENUES						
Grants and contributions not restricted						
to specific programs	1,881	745	1,478	969	1,532	4,108
Investment earnings	-	-	-	-	-	-
Miscellaneous	-	30	218	59	13	-
Total general revenues	<u>1,881</u>	<u>775</u>	<u>1,696</u>	<u>1,028</u>	<u>1,545</u>	<u>4,108</u>
Change in net assets	(165)	33	233	42	124	102
Net assets (deficit) - beginning	145	-	127	281	55	621
Net assets (deficit) - ending	<u>\$ (20)</u>	<u>\$ 33</u>	<u>\$ 360</u>	<u>\$ 323</u>	<u>\$ 179</u>	<u>\$ 723</u>

Literacy Leadership Technology Academy MS	Literacy Leadership Technology Academy HS	Mount Pleasant Charter School	Pepin Charter School of Tampa	Quest Middle School	Richardson Academy Charter School
\$ 828	\$ 300	\$ 310	\$ 964	\$ 664	\$ 245
7	-	66	193	225	-
1	-	-	6	6	-
114	17	160	117	132	93
191	39	1	16	-	-
234	118	200	428	418	72
84	23	110	4	2	111
46	13	52	95	71	-
46	-	-	-	-	-
14	-	-	-	107	-
30	6	5	-	-	8
<u>\$ 1,595</u>	<u>\$ 516</u>	<u>\$ 904</u>	<u>\$ 1,823</u>	<u>\$ 1,625</u>	<u>\$ 529</u>
\$ 36	\$ 5	\$ -	\$ 71	\$ 63	\$ -
-	-	143	-	-	-
139	51	75	-	-	46
<u>(1,420)</u>	<u>(460)</u>	<u>(686)</u>	<u>(1,752)</u>	<u>(1,562)</u>	<u>(483)</u>
1,527	393	770	1,891	1,610	532
-	-	-	-	-	-
-	35	-	59	20	-
<u>1,527</u>	<u>428</u>	<u>770</u>	<u>1,950</u>	<u>1,630</u>	<u>532</u>
107	(32)	84	198	68	49
53	-	294	608	287	558
<u>\$ 160</u>	<u>\$ (32)</u>	<u>\$ 378</u>	<u>\$ 806</u>	<u>\$ 355</u>	<u>\$ 607</u>

(Continued)

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY
**STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(amounts expressed in thousands)**

	Shiloh Elementary Charter School	Tampa Bay Academy Charter School	Tampa Charter School	Tampa Transitional Charter School	Terrace Community Charter School	Trinity Charter School
EXPENSES						
Instructional services	\$ 1,337	\$ 2,670	\$ 469	\$ 348	\$ 2,405	\$ 2,408
Instructional support services	-	784	12	49	-	-
Pupil transportation services	51	243	-	16	1	-
Operation and maintenance of plant	175	238	192	63	77	418
Facilities acquisition and construction	130	-	-	-	-	-
School administration	296	7	263	288	442	655
General administration	304	390	56	1	242	17
Food services	71	170	12	-	105	-
Community services and other	35	-	-	-	-	210
Interest on long term debt	12	-	-	52	341	256
Unallocated depreciation/amortization expense	4	68	-	-	133	276
Total expenses	<u>\$ 2,415</u>	<u>\$ 4,570</u>	<u>\$ 1,004</u>	<u>\$ 817</u>	<u>\$ 3,746</u>	<u>\$ 4,240</u>
PROGRAM REVENUES						
Charges for services	\$ 27	\$ 199	\$ 14	\$ -	\$ 404	\$ 1,052
Operating grants and contributions	28	109	-	-	342	-
Capital grants and contributions	-	-	88	-	-	-
Net program expenses	<u>(2,360)</u>	<u>(4,262)</u>	<u>(902)</u>	<u>(817)</u>	<u>(3,000)</u>	<u>(3,188)</u>
GENERAL REVENUES						
Grants and contributions not restricted						
to specific programs	2,394	4,206	948	793	3,113	3,063
Investment earnings	-	1	-	-	-	-
Miscellaneous	102	-	52	84	4	12
Total general revenues	<u>2,496</u>	<u>4,207</u>	<u>1,000</u>	<u>877</u>	<u>3,117</u>	<u>3,075</u>
Change in net assets	136	(55)	98	60	117	(113)
Net assets (deficit) - beginning	51	379	76	207	810	862
Net assets (deficit) - ending	<u>\$ 187</u>	<u>\$ 324</u>	<u>\$ 174</u>	<u>\$ 267</u>	<u>\$ 927</u>	<u>\$ 749</u>

See accompanying independent auditors' report

Trinity Upper Charter School	The Village of Excellence Charter School	Walton Academy Charter School	Education Foundation	TOTALS Component Units
\$ 800	\$ 480	\$ 495	\$ -	\$ 20,207
-	56	2	-	1,844
-	-	-	-	338
321	16	79	-	3,176
-	124	163	-	1,236
217	144	336	-	5,819
6	50	72	508	2,751
-	124	76	-	1,177
82	-	90	8,292	8,843
-	-	-	-	1,547
-	16	23	-	1,145
<u>\$ 1,426</u>	<u>\$ 1,010</u>	<u>\$ 1,336</u>	<u>\$ 8,800</u>	<u>\$ 48,083</u>
\$ 161	\$ 2	\$ -	\$ -	\$ 2,256
-	153	125	-	1,422
-	62	89	-	869
<u>(1,265)</u>	<u>(793)</u>	<u>(1,122)</u>	<u>(8,800)</u>	<u>(43,536)</u>
1,266	781	1,009	5,128	40,137
-	-	-	21	22
5	-	144	-	837
<u>1,271</u>	<u>781</u>	<u>1,153</u>	<u>5,149</u>	<u>40,996</u>
6	(12)	31	(3,651)	(2,540)
(170)	136	449	10,843	16,672
<u>\$ (164)</u>	<u>\$ 124</u>	<u>\$ 480</u>	<u>\$ 7,192</u>	<u>\$ 14,132</u>



Statistical Section

(UNAUDITED)



District Statistics

This part of the School District of Hillsborough County, Florida's comprehensive annual financial report presents detail information as a context for understanding what the information in the financial statements, notes disclosures and required supplementary information says about the District's overall financial health.

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	122
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenues sources, the property tax.	132
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the government's ability to issue additional debt in the future.	139
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	146
Operating Information These schedules contain service data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	150

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SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NET ASSETS BY COMPONENT - GOVERNMENT-WIDE
LAST EIGHT FISCAL YEARS
(accrual basis of accounting)
(amounts in thousands)

	Fiscal Year				
	2009	2008	2007	2006	2005
Government activities:					
Invested in capital assets, net of related debt	\$ 1,281,259	\$ 1,221,625	\$ 1,061,281	\$ 907,396	\$ 870,883
Restricted	334,538	352,028	405,590	340,987	292,200
Unrestricted	242,698	280,693	224,479	77,626	593
Total governmental activities net assets	<u>\$ 1,858,495</u>	<u>\$ 1,854,346</u>	<u>\$ 1,691,350</u>	<u>\$ 1,326,009</u>	<u>\$ 1,163,676</u>

	2004	2003	2002
	\$ 822,439	\$ 764,742	\$ 667,789
	289,321	205,477	263,083
	(53,050)	(84,951)	(116,103)
	<u>\$ 1,058,710</u>	<u>\$ 885,268</u>	<u>\$ 814,769</u>

Note: The District has no business-type activities.
GASB Statement 34 was implemented in fiscal year 2002, therefore only 8 years of government-wide data is available .

Source: District Records

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
CHANGES IN NET ASSETS - GOVERNMENT WIDE
LAST EIGHT FISCAL YEARS
(accrual basis of accounting)
(amounts in thousands)

	Fiscal Year							
	2009	2008	2007	2006	2005	2004	2003	2002
EXPENSES								
Instructional services	\$ 1,039,995	\$ 1,015,155	\$ 922,111	\$ 842,419	\$ 773,361	\$ 714,080	\$ 658,217	\$ 617,263
Instructional support services	208,454	206,740	190,456	161,465	135,841	122,807	121,706	118,208
Pupil transportation services	68,086	67,755	64,586	62,726	58,847	55,102	52,566	47,287
Operation and maintenance of plant	138,449	135,825	127,681	121,611	110,370	101,680	101,149	86,185
Non capitalizable facilities acquisition and construction	120,159	120,088	109,174	96,234	103,066	87,709	94,213	59,156
School administration	93,055	93,300	87,416	83,111	79,215	70,565	67,670	63,904
General administration	42,140	44,061	45,191	40,236	46,366	53,972	46,001	55,534
Food services	85,406	85,984	84,708	80,150	77,408	74,500	68,128	61,907
Community services and other	83,080	76,885	76,637	70,645	54,744	53,922	54,732	51,253
Interest on long term debt	56,862	59,426	56,641	51,253	46,017	49,120	44,191	40,385
Unallocated depreciation/amortization expense	325	299	240	773	524	477	500	1,532
Total primary government expenses	<u>\$ 1,936,011</u>	<u>\$ 1,905,518</u>	<u>\$ 1,764,841</u>	<u>\$ 1,610,623</u>	<u>\$ 1,485,759</u>	<u>\$ 1,383,934</u>	<u>\$ 1,309,073</u>	<u>\$ 1,202,614</u>
PROGRAM REVENUES								
Charges for services:								
Adult course and childcare fees	\$ 19,922	\$ 17,855	\$ 15,879	\$ 11,630	\$ 10,820	\$ 9,607	\$ 9,457	\$ 8,096
Transportation	2,912	3,410	2,337	2,576	2,112	2,194	2,088	1,723
Food Services	31,558	32,626	35,014	35,585	31,438	32,850	29,978	27,311
Operating grants and contributions	95,479	88,182	86,845	83,155	78,181	76,750	71,337	70,064
Capital grants and contributions	24,745	70,559	189,809	36,625	32,269	122,546	46,306	42,535
Total primary government program revenues	<u>174,616</u>	<u>212,632</u>	<u>329,884</u>	<u>169,571</u>	<u>154,820</u>	<u>243,947</u>	<u>159,166</u>	<u>149,729</u>
Total primary government net (expenses) revenues	<u>(1,761,395)</u>	<u>(1,692,886)</u>	<u>(1,434,957)</u>	<u>(1,441,052)</u>	<u>(1,330,939)</u>	<u>(1,139,987)</u>	<u>(1,149,907)</u>	<u>(1,052,885)</u>
GENERAL REVENUES								
Property taxes								
Levied for general purposes	\$ 517,236	\$ 467,057	\$ 441,424	\$ 369,587	\$ 334,149	\$ 304,334	\$ 284,693	\$ 266,113
Levied for debt services	-	-	2	586	9,966	10,197	9,373	8,800
Levied for capital projects	150,328	169,121	151,610	124,660	108,114	97,048	89,142	83,407
Sales taxes	22,892	24,765	26,761	28,408	23,248	21,559	20,405	20,218
Unrestricted grants and contributions	1,035,072	1,124,991	1,103,785	1,016,045	914,133	852,075	779,791	721,444
Investment earnings	844	30,668	41,383	26,383	14,525	8,156	10,359	17,168
Miscellaneous	39,172	39,280	35,333	37,716	31,770	20,060	26,643	16,919
Total primary government general revenues	<u>\$ 1,765,544</u>	<u>\$ 1,855,882</u>	<u>\$ 1,800,298</u>	<u>\$ 1,603,385</u>	<u>\$ 1,435,905</u>	<u>\$ 1,313,429</u>	<u>\$ 1,220,406</u>	<u>\$ 1,134,069</u>
CHANGE IN NET ASSETS								
Total primary government	<u>\$ 4,149</u>	<u>\$ 162,996</u>	<u>\$ 365,341</u>	<u>\$ 162,333</u>	<u>\$ 104,966</u>	<u>\$ 173,442</u>	<u>\$ 70,499</u>	<u>\$ 81,184</u>

Note: The District has no business-type activities.
GASB Statement 34 was implemented in fiscal year 2002, therefore only 8 years of government-wide data is available .

Source: District Records

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST EIGHT FISCAL YEARS
(accrual basis of accounting)

Fiscal Year Ending June 30,	Property Tax			Sales Tax	Total
	General Purposes	Debt Service	Capital Projects		
2009	\$ 517,235,374	\$ -	\$ 150,328,238	\$ 22,892,186	\$ 690,455,798
2008	467,057,120	-	169,121,245	24,764,880	660,943,245
2007	441,423,769	2,270	151,609,644	26,761,104	619,796,787
2006	369,587,219	586,175	124,659,828	28,408,346	523,241,568
2005	334,149,105	9,966,205	108,113,613	23,247,804	475,476,726
2004	304,334,108	10,197,144	97,047,861	21,559,524	433,138,636
2003	284,693,161	9,372,667	89,141,901	20,405,260	403,612,990
2002	266,113,333	8,800,054	83,407,261	20,218,368	378,539,017

Note: Government-wide information was not required prior to GASB 34. The District implemented GASB 34 for the Fiscal year ending June 30, 2002. As a result, information is only available for the last 8 years.

1) Fiscal year 2006 was the last payment for general obligation debt.

Source: District Records

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(amounts in thousands)

	Fiscal Year			
	2009	2008	2007	2006
General Fund				
Reserved for:				
State categorical programs	\$ 14,611	\$ 10,949	\$ 3,475	\$ 18,309
Encumbrances	8,424	8,253	12,442	20,028
Inventories	4,396	5,114	5,367	4,964
Other purposes	19,005	19,619	32,358	33,872
Unreserved	295,405	338,048	280,858	147,774
Total general fund	<u>\$ 341,841</u>	<u>\$ 381,983</u>	<u>\$ 334,500</u>	<u>\$ 224,947</u>
All Other Governmental Funds				
Reserved for:				
Encumbrances	\$ 83,485	\$ 150,611	\$ 188,964	\$ 40,631
Debt services	90,291	91,147	83,881	74,813
Unreserved, Reported in:				
Special revenue funds	5,224	52	66	164
Capital projects funds	250,868	326,485	408,025	394,070
Total all other governmental funds	<u>\$ 429,868</u>	<u>\$ 568,295</u>	<u>\$ 680,936</u>	<u>\$ 509,678</u>

	2005	2004	2003	2002	2001	2000
\$	15,095	\$ 11,179	\$ 5,589	\$ 4,751	\$ 4,916	\$ 5,192
	8,878	8,463	8,102	9,016	6,901	5,409
	4,964	5,083	1,695	2,043	2,140	1,966
	25,872	21,318	10,711	8,751	-	-
	94,704	50,686	45,427	19,018	23,447	15,087
\$	<u>149,513</u>	<u>\$ 96,729</u>	<u>\$ 71,524</u>	<u>\$ 43,579</u>	<u>\$ 37,404</u>	<u>\$ 27,654</u>
\$	54,989	\$ 41,837	\$ 105,561	\$ 50,071	\$ 96,755	\$ 34,864
	69,821	59,900	51,637	50,709	54,922	67,746
-		709	1,900	1,204	1,928	5,675
	380,055	445,758	343,346	482,262	274,755	387,311
\$	<u>504,865</u>	<u>\$ 548,204</u>	<u>\$ 502,444</u>	<u>\$ 584,246</u>	<u>\$ 428,360</u>	<u>\$ 495,596</u>

Source: District Records

B-74

	2009	2008	2007	Fiscal Year 2006
REVENUES				
Local sources:				
Ad valorem taxes	\$ 667,563	\$ 636,178	\$ 593,035	\$ 494,833
Local sales tax	22,892	24,765	26,761	28,408
Food services	31,549	32,708	35,046	35,714
Interest income	(83)	29,692	40,633	25,471
Other	65,286	58,282	53,490	48,988
Total local sources	787,207	781,625	748,965	633,414
State sources:				
Florida education finance program	518,746	620,999	627,185	604,072
Public education capital outlay	16,962	30,576	42,557	20,559
Categorical programs	302,285	298,558	254,834	203,709
Class size reduction	-	32,338	139,683	8,520
Workforce development	32,392	34,254	35,124	32,186
Food services	1,470	1,449	1,420	1,447
Other	14,215	16,062	12,990	16,282
Total state sources	886,070	1,034,236	1,125,993	886,775
Federal sources:				
Food services	58,220	50,900	48,286	45,424
Federal grants direct	21,940	13,649	2,995	9,882
Federal grants through state	132,055	127,268	142,510	137,796
Federal grants through local	57,011	57,678	60,656	65,948
Total federal sources	269,226	249,495	254,447	249,050
Total revenues	1,942,503	2,065,356	2,129,405	1,769,239
EXPENDITURES				
Current:				
Instructional services:				
Basic programs	799,155	769,261	697,145	639,149
Exceptional child programs	172,096	169,017	162,053	142,874
Adult and vocational technical programs	61,299	66,310	65,080	58,231
Total instructional services	1,032,550	1,004,588	924,278	840,254
Instructional support services:				
Pupil personnel services	76,684	76,711	74,626	65,829
Instructional media services	24,639	24,500	25,901	25,469
Instruction and curriculum development services	45,205	46,081	40,637	36,367
Instructional staff training services	36,704	33,351	28,450	16,878
Instructional related technology	22,733	22,936	19,307	11,672
Total instructional support services	205,965	203,929	189,021	156,015
Pupil transportation services	65,946	65,370	63,084	61,240
Operation and maintenance of plant:				
Operation of plant	109,009	106,956	101,414	96,867
Maintenance of plant	30,040	29,280	28,169	27,442
Total operation and maintenance of plant	139,049	136,236	129,583	124,309
School administration	92,249	91,713	86,624	82,301
General administration:				
Central services	21,163	18,578	16,980	16,269
Board of education	1,357	1,160	1,166	1,659
General administration	10,138	12,573	15,907	12,495
Fiscal services	6,916	8,994	7,725	7,138
Administrative technology services	642	535	489	447
Total general administration	40,216	41,840	42,267	38,008

2005		2004		2003		2002		2001		2000	
\$	452,229	\$	411,579	\$	383,208	\$	358,320	\$	317,727	\$	301,028
	23,248		21,559		20,405		20,218		-		18,797
	31,438		32,887		29,978		27,823		25,198		23,193
	12,899		75,897		10,084		14,981		22,956		22,820
	43,495		29,713		33,343		26,066		50,872		32,114
	<u>563,309</u>		<u>502,635</u>		<u>477,018</u>		<u>447,408</u>		<u>416,753</u>		<u>397,952</u>
	573,732		555,611		531,108		481,661		501,693		426,723
	14,507		22,592		18,473		28,006		22,739		16,336
	150,161		111,431		80,916		97,572		83,828		108,264
	10,418		73,698		-		-		-		-
	31,359		30,347		30,556		30,398		31,213		-
	1,434		1,396		1,407		1,450		1,241		1,231
	18,642		47,020		40,286		24,710		50,610		132,988
	<u>800,253</u>		<u>842,095</u>		<u>702,746</u>		<u>663,797</u>		<u>691,324</u>		<u>685,542</u>
	42,027		39,914		36,914		32,860		32,410		31,753
	9,657		11,255		8,165		7,294		6,225		5,416
	162,391		148,478		140,053		121,039		106,796		93,495
	10,256		9,594		9,556		9,053		7,882		7,537
	<u>224,331</u>		<u>209,241</u>		<u>194,688</u>		<u>170,246</u>		<u>153,313</u>		<u>138,201</u>
	<u>1,587,893</u>		<u>1,553,971</u>		<u>1,374,452</u>		<u>1,281,451</u>		<u>1,261,390</u>		<u>1,221,695</u>
	581,529		538,524		485,371		458,312		449,454		410,408
	136,810		130,665		121,903		113,989		101,236		97,176
	52,235		49,387		49,194		45,019		42,335		41,885
	<u>770,574</u>		<u>718,576</u>		<u>656,468</u>		<u>617,320</u>		<u>593,025</u>		<u>549,469</u>
	61,219		57,531		57,060		55,148		53,712		49,398
	23,322		22,695		21,686		20,295		19,377		17,511
	38,574		37,359		35,450		36,917		38,346		35,800
	12,098		6,643		7,925		6,738		6,669		5,633
	-		-		-		-		-		-
	<u>135,213</u>		<u>124,228</u>		<u>122,121</u>		<u>119,098</u>		<u>118,104</u>		<u>108,342</u>
	<u>56,432</u>		<u>52,344</u>		<u>50,309</u>		<u>47,288</u>		<u>46,237</u>		<u>45,241</u>
	84,770		79,793		78,914		65,164		63,300		63,798
	27,304		23,305		22,951		22,834		23,947		23,479
	<u>112,074</u>		<u>103,098</u>		<u>101,865</u>		<u>87,998</u>		<u>87,247</u>		<u>87,277</u>
	<u>78,013</u>		<u>73,370</u>		<u>70,079</u>		<u>64,489</u>		<u>63,348</u>		<u>60,477</u>
	23,536		23,279		23,261		27,400		22,788		24,447
	4,227		2,701		4,686		4,170		2,983		2,547
	10,227		17,172		7,988		10,430		11,006		6,900
	5,487		5,226		5,198		5,159		4,957		5,234
	-		-		-		-		-		-

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year			
	2009	2008	2007	2006
Non-capitalizable facilities acquisition and construction	47,060	52,016	45,519	41,180
Food services	85,787	86,550	85,913	81,239
Community services and other	83,038	76,787	76,567	70,643
Debt Service:				
Principal retirement	35,022	32,075	27,878	37,933
Interest	58,154	57,254	55,597	49,993
Dues, fees and other	1,302	602	2,769	2,372
Capital outlay				
Facilities Acquisitions & Construction	222,705	273,211	191,970	237,851
Other capital outlay	9,814	12,348	14,223	16,133
Total expenditures	2,118,857	2,134,519	1,935,293	1,839,471
Excess (deficiency) of revenues over (under) expenditures	(176,354)	(69,163)	194,112	(70,232)
OTHER FINANCING SOURCES (USES):				
Long term bonds issued	-	5,085	-	58,510
Premium on sale of bonds	-	184	-	20
Discount on sale of bonds	-	-	(1,818)	(18)
Refunding bonds issued	-	-	47,515	37,360
Premium on sale of refunding bonds	-	-	1,606	3,637
Certificates of participation issued	-	-	84,685	89,437
Premium on sale of certificates of participation	1,095	-	3,533	2,028
Discount on sale of certificates of participation	-	-	(410)	-
Loans incurred	-	-	-	-
Proceeds from sale of capital assets	-	1,257	327	3,776
Refunding certificates of participation	109,830	-	77,900	-
Payments to refunded bond escrow agent	(110,570)	-	(125,564)	(40,856)
Proceeds from capital leases	-	-	1,343	-
Transfers in	80,669	71,999	63,487	61,436
Transfers out	(83,239)	(74,520)	(65,905)	(64,851)
Total other financing sources and uses	(2,215)	4,005	86,699	150,479
Net change in fund balances	(178,569)	(65,158)	280,811	80,247
Fund balances - beginning	950,278	1,015,436	734,625	654,378
Fund balances - ending	\$ 771,709	\$ 950,278	\$ 1,015,436	\$ 734,625
Debt service as a percentage of non-capital expenditures	5.01%	4.86%	4.99%	5.70%

a: Beginning fund balance is \$338 higher due to the reclass of the balance in a trust fund to the general fund due to GASB 34.

Source: District Records

	2005	2004	2003	2002	2001	2000
	50,720	43,652	57,178	26,917	84,506	40,216
	77,544	74,872	68,106	62,628	60,244	54,926
	54,610	53,665	54,602	51,219	47,080	42,735
	32,038	31,958	30,399	40,861	53,486	28,506
	48,203	46,862	44,768	34,449	32,500	26,863
	4,068	2,445	1,419	7,088	2,767	1,588
	205,796	220,502	188,308	214,381	124,277	105,735
	7,714	27,857	17,151	22,380	14,651	18,561
	1,676,476	1,621,807	1,503,906	1,443,275	1,369,206	1,209,064
	(88,583)	(67,836)	(129,454)	(161,824)	(107,816)	12,631
	4,560	2,990	-	237,240	-	1,249
	47	-	-	4,020	-	-
	-	(30)	-	-	-	-
	127,975	-	-	-	-	-
	10,296	-	-	-	-	-
	89,750	162,216	64,010	78,865	48,103	122,676
	828	3,733	5,007	32	-	-
	-	(1,043)	(1,291)	(484)	-	-
	-	-	-	4,267	-	-
	4,609	2,497	8,802	-	-	40
	48,915	-	-	-	102,414	-
	(187,871)	(30,601)	-	-	(101,679)	-
	-	-	-	-	-	181
	61,801	50,724	54,616	67,073	95,917	48,466
	(62,882)	(51,685)	(55,547)	(67,466)	(95,506)	(48,291)
	98,028	138,801	75,597	323,547	50,330	124,321
	9,445	70,965	(53,857)	161,723	(57,486)	136,952
	644,933	573,968	627,825	466,102	523,250	386,298
	\$ 654,378	\$ 644,933	\$ 573,968	\$ 627,825	\$ 465,764	\$ 523,250
	5.76%	5.92%	5.90%	6.83%	7.21%	5.25%

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

Fiscal Year Ending June 30,	Property Tax			Sales Tax	Total
	General Purposes	Debt Service	Capital Projects		
2009	\$517,235,374	\$ -	\$150,328,238	\$ 22,892,186	\$ 690,455,798
2008	467,057,120	-	169,121,245	24,764,880	660,943,245
2007	441,423,769	2,270	151,609,644	26,761,104	619,796,787
2006	369,587,219	586,175	124,659,828	28,408,346	523,241,568
2005	334,149,105	9,966,205	108,113,613	23,247,804	475,476,726
2004	304,334,108	10,197,144	97,047,861	21,559,524	433,138,636
2003	284,693,161	9,372,667	89,141,901	20,405,260	403,612,990
2002	266,113,333	8,800,054	83,407,261	20,218,368	378,539,017
2001	235,722,628	9,129,666	72,874,100	19,425,635	337,152,028
2000	224,726,034	9,968,422	66,334,188	18,797,289	319,825,932

1. Fiscal year 2006 was the last payment for general obligation debt.

Source: District Records

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

Fiscal Year Ended June 30,	Net Taxable Value for the School District				Total Direct Tax Rate	Net Assessed Value	Net Taxable Value as a Percentage of of Net Assessed Value
	Residential Property	Commercial Property	Industrial Property	Total			
2009	\$ 53,254,024	\$ 31,189,571	\$ 4,804,756	\$ 89,248,351	7.7770	\$ 110,127,213	81.04%
2008	53,207,245	29,807,452	4,590,349	87,605,046	7.5230	114,865,796	76.27%
2007	46,131,700	28,126,322	4,170,474	78,428,496	7.8230	105,425,340	74.39%
2006	36,438,698	24,830,385	3,306,308	64,575,391	7.9370	83,476,837	77.36%
2005	30,580,853	22,570,457	2,971,164	56,122,474	8.3609	70,713,902	79.37%
2004	26,392,493	21,264,552	2,717,349	50,374,394	8.4800	62,672,589	80.38%
2003	23,675,652	20,256,222	2,424,051	46,355,925	8.5950	57,365,174	80.81%
2002	21,143,254	19,446,661	2,302,065	42,891,980	8.5860	52,459,281	81.76%
2001	18,739,309	17,332,443	1,893,295	37,965,047	8.7150	46,012,223	82.51%
2000	16,738,274	16,179,900	1,753,580	34,671,754	9.0710	41,494,770	83.56%

Note: Net Taxable Values are net Assessed Values after deducting allowable statutory exemptions.

Source: Hillsborough County Property Appraiser

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
RATES PER \$1,000 ASSESSED VALUATION

	Fiscal Year			
	2009	2008	2007	2006
District School Board:				
Local Required Effort	5.3040	4.7840	5.0630	5.1680
Discretionary Local	0.4980	0.5100	0.5100	0.5100
Supplemental Discretionary	0.2250	0.2290	0.2500	0.2500
Debt Service	0.0000	0.0000	0.0000	0.0090
Capital Improvement	1.7500	2.0000	2.0000	2.0000
Total District School Board	7.7770	7.5230	7.8230	7.9370
Other County-Wide:				
Board of County Commissioners	5.8043	5.8050	6.5867	7.0097
Tampa Port Authority	0.1950	0.1982	0.2200	0.2600
Children's Board	0.5000	0.4634	0.5000	0.5000
S.W. Florida River Water Management	0.3866	0.3866	0.4220	0.4220
Total County-Wide	14.6629	14.3762	15.5517	16.1287
Non-County Wide:				
Board of County Commissioners				
Public Library Service (1)	0.5583	0.6083	0.6923	0.6923
Municipal Service Tax	4.3745	4.3755	4.9954	5.1621
Parks & Recreation (unincorporated)	0.0259	0.0259	0.0286	0.0359
Independent Special Districts				
SWFWMD Watershed Basins(2)				
Alafia River Basin	0.2163	0.2163	0.2400	0.2400
Hillsborough River Basin	0.2547	0.2547	0.2850	0.2850
N.W. Hillsborough River Basin	0.2421	0.2421	0.2680	0.2680
Transit Authority	0.4682	0.4495	0.5000	0.5000
Tampa Palms C.D.D.	0.0000	0.0000	2.6000	2.6000
Municipalities:				
Tampa	5.7326	5.7326	6.4080	6.5390
Plant City	4.1653	4.1653	4.7000	4.7000
Temple Terrace	4.5692	4.5692	4.9100	4.9100

(1) This Levy is assessed on all property outside Plant City and Temple Terrace, i.e., Tampa and unincorporated areas.

(2) Dependent on its location, property within Tampa may be in either the Alafia River, the Hillsborough River or the NW Hillsborough Basins. The city of Temple Terrace is entirely within Hillsborough River Basin. The city of Plant City is within the Alafia and Hillsborough River Basins.

Source: Hillsborough County Tax Collector

	2005	2004	2003	2002	2001	2000
	5.4930	5.5770	5.6800	5.6640	5.7460	6.0110
	0.5100	0.5100	0.5100	0.5100	0.5100	0.5100
	0.1740	0.1830	0.1950	0.2020	0.2090	0.2500
	0.1839	0.2100	0.2100	0.2100	0.2500	0.3000
	2.0000	2.0000	2.0000	2.0000	2.0000	2.0000
	8.3609	8.4800	8.5950	8.5860	8.7150	9.0710
	7.2722	7.2922	7.3122	7.5622	7.6822	7.7822
	0.2600	0.2900	0.2900	0.2900	0.2950	0.3100
	0.5000	0.5000	0.5000	0.4170	0.4170	0.4170
	0.4220	0.4220	0.4220	0.4220	0.4220	0.4220
	16.8151	16.9842	17.1192	17.2772	17.5312	18.0022
	0.6423	0.6423	0.6423	0.6423	0.6423	0.6423
	5.0621	5.6210	5.0621	5.0621	5.0621	5.0621
	0.0398	0.0455	0.0500	0.0584	0.0675	0.0734
	0.2400	0.2400	0.2400	0.2400	0.2400	0.2400
	0.2850	0.2850	0.2850	0.2850	0.2850	0.2850
	0.2680	0.2680	0.2680	0.2680	0.2680	0.2680
	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
	2.6000	2.6000	2.6000	2.6000	2.6000	2.6000
	6.5390	6.5390	6.5390	6.5390	6.5390	6.5390
	4.7000	4.7000	4.7000	4.7000	4.7000	4.7000
	4.9100	4.9100	4.9100	4.9100	4.9100	4.9100

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
PRINCIPAL PROPERTY TAX PAYERS
LAST TEN FISCAL YEARS
(amounts in thousands)

Fiscal Year									
2009					2008				
Taxpayer	Type of Business	Rank	Total Tax	Assessed Value	Percentage of Total Assessed Value	Rank	Total Tax	Assessed Value	Percentage of Total Assessed Value
Tampa Electric Company	Electric Utility	1	\$ 31,181	\$ 1,435,499	1.61%	1	\$ 36,664	\$ 1,653,149	1.88%
Verizon Florida Inc	Communications	2	25,857	1,190,392	1.33%	2	19,477	878,194	1.00%
Hillsborough Aviation Authority	Transportation	3	12,008	552,822	0.62%	3	11,286	508,850	0.58%
Mosaic Fertilizer, LLC	Mining	4	8,101	372,968	0.42%	4	7,955	358,690	0.41%
Camden Operating LP	Real Estate	6	5,758	265,122	0.30%	5	5,834	283,064	0.30%
Wal-Mart	Retail Sales	9	4,309	198,384	0.22%	6	4,865	219,344	0.25%
Liberty Property	Property Management	7	5,286	243,354	0.27%	7	4,777	215,381	0.25%
Post Apartment Homes LP	Housing	8	5,245	241,460	0.27%	8	4,585	206,741	0.24%
Tampa Port Authority	Cargo/Cruise/Real Estate	10	4,071	187,440	0.21%	9	3,763	169,685	0.19%
Teachers Insurance & Annuity	Insurance					10	3,189	143,778	0.16%
Busch Entertainment	Entertainment								
Highwoods/Florida Holding	Real Estate Mgmt	5	6455	297164	0.33%				
Tampa Sports Authority	Sports Facilities								
Cargil Incorporated	Mining								
Glimcher LTD Partnership	Shopping Malls								
Total			\$ 108,271	\$ 4,984,605	5.58%		\$ 102,395	\$ 4,616,876	5.20%

Fiscal Year									
2004					2003				
Taxpayer	Type of Business	Rank	Total Tax	Assessed Value	Percentage of Total Assessed Value	Rank	Total Tax	Assessed Value	Percentage of Total Assessed Value
Tampa Electric Company	Electric Utility	1	\$ 30,945	\$ 1,205,291	2.38%	1	\$ 30,394	\$ 1,181,370	2.53%
Verizon Florida Inc	Communications	2	23,963	933,355	1.84%	2	26,675	1,036,801	2.22%
Hillsborough Aviation Authority	Transportation	3	9,350	364,196	0.72%	3	9,208	357,906	0.77%
Mosaic Fertilizer, LLC	Mining								
Camden Operating LP	Real Estate	5	5,306	206,671	0.41%	6	4,524	175,854	0.38%
Wal-Mart	Retail Sales	9	3,644	141,952	0.28%	10	3,122	121,335	0.26%
Post Apartment Homes	Housing	6	4,575	178,199	0.35%	7	4,220	164,007	0.35%
Glimcher LTD Partnership	Shopping Malls	7	4460	173716	0.34%				
Busch Entertainment	Entertainment								
Teachers Insurance & Annuity	Insurance								
Highwoods/Florida Holding	Real Estate Mgmt	10	3,350	130,500	0.26%	5	7,266	282,430	0.61%
Tampa Sports Authority	Sports Facilities	4	6,832	266,096	0.53%	4	7,313	284,259	0.61%
Cargil Incorporated	Mining	8	3,936	153,290	0.30%	8	3,726	144,840	0.31%
IMC Chemicals	Mining					9	3,461	134,514	0.29%
General Telephone	Communications								
GTE Data Services	Communications								
Metropolitan Life Insurance	Insurance								
AT & T Communications	Communications								
Time Warner	Entertainment								
Total			\$ 96,361	\$ 3,753,266	7.41%		\$ 99,909	\$ 3,883,316	8.33%

2007				2006				2005			
Rank	Total Tax	Assessed Value	Percentage of Total Assessed Value	Rank	Total Tax	Assessed Value	Percentage of Total Assessed Value	Rank	Total Tax	Assessed Value	Percentage of Total Assessed Value
1	\$ 40,472	\$ 1,680,935	2.13%	1	\$ 40,917	\$ 1,640,399	2.53%	1	\$ 34,257	\$ 1,342,026	2.39%
2	23,031	956,550	1.21%	2	22,010	882,424	1.36%	2	22,823	894,093	1.59%
3	12,035	499,848	0.63%	3	11,161	447,471	0.69%	3	9,711	380,446	0.68%
4	7,677	318,869	0.40%	4	6,876	275,685	0.43%	4	7,379	289,066	0.52%
5	6,128	254,533	0.32%	5	5,060	202,877	0.31%	6	5,074	198,788	0.35%
6	4,802	199,434	0.25%	6	4,657	186,702	0.29%	9	4,113	161,126	0.29%
7	4,692	194,859	0.25%	7	4,597	184,296	0.28%	7	4,826	189,044	0.34%
9	4,439	184,365	0.23%								
10	3,302	137,153	0.17%	10	2,788	111,765	0.17%	10	2,955	115,782	0.21%
				9	2,901	116,291	0.18%	5	6,945	272,087	0.48%
8	4651	193195	0.0025	8	4279	171570	0.0026	8	4,579	179395	0.0032
	\$ 111,229	\$ 4,619,741	5.84%		\$ 105,246	\$ 4,219,480	6.50%		\$ 102,662	\$ 4,021,853	7.17%

2002				2001				2000			
Rank	Total Tax	Assessed Value	Percentage of Total Assessed Value	Rank	Total Tax	Assessed Value	Percentage of Total Assessed Value	Rank	Total Tax	Assessed Value	Percentage of Total Assessed Value
1	\$ 30,301	\$ 1,170,123	2.71%	1	\$ 30,845	\$ 1,175,239	3.09%	1	\$ 30,622	\$ 1,145,680	3.29%
2	27,873	1,076,361	2.49%	2	29,590	1,127,434	2.96%				
6	3,818	147,442	0.34%	5	3,303	125,850	0.33%				
8	3,471	134,048	0.31%	7	3,245	123,626	0.32%	4	3,490	130,562	0.37%
9	2,739	105,770	0.24%								
4	5,178	199,952	0.46%	4	5,445	207,467	0.54%				
10	2,720	105,067	0.24%	9	2,783	106,032	0.28%	10	2,068	77,362	0.22%
								7	2,743	102,608	0.29%
3	5,929	228,960	0.53%	3	8,481	323,155	0.85%				
5	3,933	151,877	0.35%	8	3,152	120,112	0.32%	5	3,126	116,957	0.34%
7	3,701	142,939	0.33%	6	3,265	124,401	0.33%	6	3,100	115,970	0.33%
								2	23,940	895,691	2.57%
								3	4,665	174,526	0.50%
								9	2,366	88,530	0.25%
				10	2,319	88,368	0.23%				
								8	2,582	96,612	0.28%
	\$ 89,663	\$ 3,462,539	8.00%		\$ 92,428	\$ 3,521,684	9.25%		\$ 78,702	\$ 2,944,498	8.44%

Source: Hillsborough County Tax Collector

**SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year	Total Tax Levy	Collected to End of Tax Year		Percent of Levy	Delinquent Collections (1)	Collected in Fiscal Year	
		Current Tax Collections (1)				Total Collections (1)	Percent of Levy
2009	\$ 695,871,440	\$ 664,675,893		95.52%	\$ 2,887,719	\$ 667,563,612	95.93%
2008	662,885,929	635,203,884		95.82%	974,481	636,178,365	95.97%
2007	616,369,811	592,574,795		96.14%	460,888	593,035,683	96.21%
2006	512,534,878	494,030,382		96.39%	802,840	494,833,222	96.55%
2005	469,234,393	449,419,671		95.78%	2,809,251	452,228,923	96.38%
2004	427,174,861	410,947,183		96.20%	631,930	411,579,112	96.35%
2003	398,429,175	381,848,372		95.84%	1,359,357	383,207,729	96.18%
2002	368,270,540	353,243,344		95.92%	5,077,304	358,320,648	97.30%
2001	330,865,385	315,442,741		95.34%	2,283,652	317,726,393	96.03%
2000	314,507,481	299,164,824		95.12%	1,863,818	301,028,643	95.71%

Note: Property Taxes become due and payable on November 1st of each year. A four percent (4%) discount is allowed if taxes are paid in November, with the discounts declining by one percent (1%) each month thereafter. Accordingly, taxes collected will never be 100% of the tax levy. Taxes become delinquent on April 1st of each year and tax certificates for the full amount of any unpaid taxes and assessments must be sold not later than June 1st of each year. Accordingly, the majority of taxes are collected in the fiscal year levied.

(1) Net of allowable discounts

Source: Hillsborough County Tax Collector and District Records

**SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities (A)					Percentage of Personal Income (B)	Per Capita (B)	
	General Obligation Bonds	State Board of Education Bonds	Certificates Of Participation	District Revenue Bonds	Total Primary Government			
2009	\$	-	\$ 54,530,000	\$ 936,491,000	\$ 249,560,619	\$ 1,240,581,619	2.746%	\$ 1,005.33
2008		-	58,400,000	958,151,000	258,698,225	1,275,249,225	2.969%	1,041.44
2007		-	57,025,000	977,486,000	267,728,225	1,302,239,225	3.130%	1,094.37
2006		-	60,580,000	907,121,000	272,568,225	1,240,269,225	3.228%	1,065.50
2005		9,520,000	61,820,000	835,319,000	224,173,000	1,130,832,000	3.113%	985.80
2004		18,585,000	60,340,000	755,004,000	228,673,000	1,062,602,000	3.187%	952.19
2003		27,245,000	60,190,000	633,608,000	234,748,000	955,791,000	2.993%	885.97
2002		35,510,000	62,805,000	581,353,000	240,313,000	919,981,000	3.083%	895.88
2001		43,410,000	63,615,000	512,123,000	24,243,000	643,391,000	2.346%	644.07
2000		50,900,000	65,965,000	466,353,000	54,588,000	637,806,000	2.414%	659.22

(A) The primary government does not have any business type activities.

(B) Total Primary Government Debt divided by Personal Income and Population from Page 146 - Demographics and Economics.

Source: District Records

**SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
RATIO OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN YEARS**

Fiscal Year	Estimated Population (A)	Net Taxable Assessed Value (B)	Gross Bonded Debt (C)	Less Debt Service Funds (D)	Net Bonded Debt	Ratio of Net General Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2009	1,234,010	\$ 89,248,351	\$ -	\$ -	\$ -	0.000%	\$ -
2008	1,224,510	87,605,046	-	-	-	0.000%	-
2007	1,189,946	78,428,496	-	-	-	0.000%	-
2006	1,164,022	64,575,391	-	-	-	0.000%	-
2005	1,147,120	56,122,474	9,520,000	9,859,000	(339,000)	-0.001%	-
2004	1,115,960	50,374,394	18,585,000	9,919,000	8,666,000	0.017%	8
2003	1,078,809	46,355,925	27,145,000	9,968,000	17,177,000	0.037%	16
2002	1,026,906	42,891,980	35,510,000	10,028,000	25,482,000	0.059%	25
2001	998,948	37,965,047	43,410,000	10,080,000	33,330,000	0.088%	33
2000	967,511	34,671,754	50,900,000	10,126,000	40,774,000	0.118%	42

(A) Population was obtained from the United States Department of Commerce, Bureau of Economic Analysis and the University of Florida, Bureau of Economic and Business Research.

(B) Net Taxable Assessed Values are expressed in thousands.

(C) Includes General Obligation Bonds only.

(D) Reserved for Debt Service - General Obligation Bonds only.

Source: District Records

**SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL OBLIGATION BONDED DEBT
TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN FISCAL YEARS**

Fiscal Year	Principal	Interest	Total Debt Service	Total General Governmental Non-Capital Expenditures (A)	Ratio of Debt Service to General Governmental Non-Capital Expenditures
2009	\$ -	\$ -	\$ -	\$ 1,886,338	-
2008	-	-	-	1,848,960	-
2007	-	-	-	1,729,100	-
2006	-	-	-	1,585,487	-
2005	9,065,000	794,000	9,859,000	1,462,966	0.007
2004	8,660,000	1,259,000	9,919,000	1,373,448	0.007
2003	8,265,000	1,703,000	9,968,000	1,298,447	0.008
2002	7,900,000	2,128,000	10,028,000	1,206,514	0.008
2001	7,490,000	2,590,000	10,080,000	1,230,278	0.008
2000	7,045,000	3,081,000	10,126,000	1,084,768	0.009

(A) Includes general, special revenue, debt service, and capital projects funds of the Primary Government, excluding capital expenditures.
Amounts in Thousands

Note: The District's General Obligation Bonded Debt was paid off in fiscal year 2005

Source: District Records

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
June 30, 2009

Jurisdiction	General Obligation Bonded Debt Outstanding	Direct Debt		Direct and Overlapping Debt	
		Percentage Applicable to This Governmental Unit	Amount Applicable to This Governmental Unit	Percentage Applicable to Hillsborough County	Amount Applicable to Hillsborough County
Hillsborough County Board of County Commissioners	\$ 29,000,000	0%	\$ -	100%	\$ 29,000,000
School District of Hillsborough County	-	100%	-	100%	-
Totals	<u><u>\$ 29,000,000</u></u>		<u><u>\$ -</u></u>		<u><u>\$ 29,000,000</u></u>

Source: District Records
Hillsborough County Clerk of the Circuit Court

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
ANTICIPATED CAPITAL OUTLAY MILLAGE LEVY
REQUIRED TO COVER CERTIFICATES OF PARTICIPATION PAYMENTS
LAST TEN FISCAL YEARS

Fiscal Year	Taxable Assessed Value (A)	Annual Lease Payment	Millage Levy to Provide 1.00x Coverage (B)
2009	\$ 89,248,351	\$ 61,358,676	0.6875
2008	87,605,046	59,112,895	0.6748
2007	78,428,497	53,488,469	0.6820
2006	64,575,391	52,475,130	0.8126
2005	56,122,474	48,922,918	0.8717
2004	50,374,394	45,746,680	0.9081
2003	46,355,925	42,657,490	0.9202
2002	42,891,980	36,895,822	0.8602
2001	37,965,047	36,536,065	0.9624
2000	34,671,754	25,296,000	0.7296

(A) Assessed Value is in Thousands.

(B) Millage rate calculated using 95% of the taxable assessed valuation.

Note: Capital lease arrangements financed by Certificates of Participation are not considered general obligation debt as no specific property tax levy has been pledged.

Source: District Records

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
CALCULATION OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS
(amounts in thousands)

	Fiscal Year			
	2009	2008	2007	2006
Net Assessed Value	\$ 110,127,213	\$ 114,865,796	\$ 105,425,340	\$ 83,476,837
Debt Limit - 10% of Assessed Value	\$ 11,012,721	\$ 11,486,580	\$ 10,542,534	\$ 8,347,684
Amount of Debt Applicable to Debt Limit:				
Bond Payable	\$ -	\$ -	\$ -	\$ -
Less, Amount Available for Debt Service	-	-	-	-
Total Debt Applicable to the Debt Limit	-	-	-	-
Legal Debt Margin	\$ 11,012,721	\$ 11,486,580	\$ 10,542,534	\$ 8,347,684
Total Debt Applicable to the Debt Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%

Note: Rule 6A-1.037(2), State Board of Education, Florida Administration Code, establishes
a limit of 10 percent on the assessed valuation of the District.

Source: District Records

	2005	2004	2003	2002	2001	2000
Net Assessed Value	\$ 70,713,902	\$ 62,672,589	\$ 57,365,174	\$ 52,459,281	\$ 46,012,223	\$ 41,494,770
Debt Limit - 10% of Assessed Value	\$ 7,071,390	\$ 6,267,259	\$ 5,736,517	\$ 5,245,928	\$ 4,601,222	\$ 4,149,477
Amount of Debt Applicable to Debt Limit:						
Bond Payable	\$ 9,520	\$ 18,585	\$ 27,145	\$ 35,510	\$ 43,410	\$ 50,900
Less, Amount Available for Debt Service	9,859	9,919	9,968	10,028	10,080	10,126
Total Debt Applicable to the Debt Limit	(339)	8,666	17,177	25,482	33,330	40,774
Legal Debt Margin	\$ 7,071,729	\$ 6,258,593	\$ 5,719,340	\$ 5,220,446	\$ 4,567,892	\$ 4,108,703
Total Debt Applicable to the Debt Limit as a Percentage of Debt Limit	0.00%	0.14%	0.30%	0.49%	0.72%	0.98%

**SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS**

Fiscal Year	Population (A)	Personal Income (I) (A)	Per Capita Personal Income (A)	Median Age (A)	Unemployment Rate (B)	Education Level (C)				School Enrollment (D)	Government-wide Governmental Activities (I) Expenses (E)	Cost per Student
						Less than High School	High School	Bachelors	Graduate			
2009	1,234,010	\$ 45,184,510	\$ 36,616	37.10	10.9%	114,372	438,754	148,956	79,789	189,761	\$ 1,936,011	\$ 10,202
2008	1,224,510	42,954,586	35,079	36.50	6.7%	107,281	438,220	151,495	77,595	190,580	1,905,518	9,999
2007	1,189,946	41,599,322	34,959	36.30	3.7%	111,292	439,818	142,748	68,748	190,699	1,764,841	9,255
2006	1,164,022	38,422,038	33,008	37.80	3.3%	112,651	422,193	135,029	68,763	190,596	1,610,623	8,450
2005	1,147,120	36,330,438	31,671	35.50	4.0%	114,839	412,486	130,701	66,478	185,511	1,485,759	8,009
2004	1,115,960	33,346,001	29,881	35.30	3.6%	117,031	402,777	126,370	64,191	178,187	1,383,934	7,767
2003	1,078,809	31,934,904	29,602	35.70	4.4%	119,219	393,070	122,042	61,906	171,635	1,309,073	7,627
2002	1,026,906	29,836,754	29,055	35.10	4.4%	121,407	383,363	117,714	59,621	166,008	1,202,614	7,244
2001	998,948	27,429,114	27,458	35.20	3.3%	123,595	373,656	113,386	57,336	160,566	N/A	
2000	967,511	26,416,920	27,304	35.70	3.0%	125,783	363,949	109,058	55,051	154,990	N/A	

(1) Personal Income and Government-wide expensed are in thousands.

Sources:

- (A) Population, Personal Income, Per Capita Personal Income and Median Age were obtained from the United States Department of Commerce and the City-County Planning Commission
 (B) Unemployment Rate was obtained from the City-County Planning Commission
 (C) Education Level was obtained from the U. S. Census Bureau, Population 25 years and over.
 (D) Student Enrollment was obtained from District Records.
 (E) Government-wide information was not available prior to 2002.

**PRINCIPAL EMPLOYERS
HILLSBOROUGH COUNTY EMPLOYMENT
LAST TEN YEARS**

Employer	Fiscal Year					
	2009			2008		
	Employees	Rank	Percentage of County Employment	Employees	Rank	Percentage of County Employment
School District of Hillsborough County	25,272	1	4.452%	25,360	1	4.385%
Hillsborough County Government	12,246	2	2.157%	10,502	2	1.816%
University of South Florida	8,600	3	1.515%	9,575	3	1.656%
Verizon	7,850	4	1.383%	7,000	5	1.210%
Tampa International Airport	7,500	5	1.321%	7,500	4	1.297%
MacDill Air Force Base	6,734	6	1.186%	6,656	6	1.151%
Tampa General Hospital	6,020	7	1.061%	5,842	7	1.010%
Publix Supermarkets	5,714	8	1.007%	4,984	8	0.862%
James A Haley Veterans Hospital	4,900	9	0.863%	4,529	9	0.783%
City of Tampa	4,154	10	0.732%	4,502	10	0.778%
St Josephs Hospital / Baker Health						
Tampa Electric / Peoples Gas						
JP Morgan Chase						
U S Postal Service						
	<u>88,990</u>		<u>15.677%</u>	<u>86,450</u>		<u>14.948%</u>

Employer	Fiscal Year					
	2004			2003		
	Employees	Rank	Percentage of County Employment	Employees	Rank	Percentage of County Employment
School District of Hillsborough County	22,734	1	3.646%	21,624	1	3.689%
Hillsborough County Government	10,886	4	1.746%	10,886	4	1.857%
University of South Florida	11,607	3	1.861%	11,607	3	1.980%
Tampa International Airport	7,760	6	1.244%	7,760	5	1.324%
Verizon	14,000	2	2.245%	14,000	2	2.388%
MacDill Air Force Base	9,000	5	1.443%	5,645	6	0.963%
Tampa General Hospital						
Publix Supermarkets	4,630	10	0.743%	4,342	9	0.741%
James A Haley Veterans Hospital	5,900	7	0.946%			
City of Tampa				4,500	8	0.768%
St Josephs Hospital / Baker Health	5,242	8	0.841%	5,242	7	0.894%
Tampa Electric						
JP Morgan Chase	5,237	9	0.840%			
U S Postal Service				3,947	10	0.673%
GTE Communications Corp						
Nations Banks						
	<u>96,996</u>		<u>15.555%</u>	<u>89,553</u>		<u>15.276%</u>

Sources: State of Florida, Department of Labor and Employment Statistics
City-County Planning Commission

Employees	Rank	Percentage of County Employment	2006			2005		
			Employees	Rank	Percentage of County Employment	Employees	Rank	Percentage of County Employment
25,121	1	4.232%	24,286	1	4.129%	23,601	1	4.172%
11,169	2	1.881%	11,920	2	2.027%	10,498	2	1.856%
9,026	3	1.520%	8,743	3	1.487%	7,794	3	1.378%
7,456	4	1.256%	7,652	4	1.301%	7,000	5	1.237%
7,300	5	1.230%	6,500	5	1.105%	7,626	4	1.348%
5,432	6	0.915%	5,812	6	0.988%	5,756	6	1.018%
5,000	7	0.842%	4,920	7	0.837%			
4,832	8	0.814%	4,702	8	0.799%	4,672	7	0.826%
4,700	9	0.792%	4,700	9	0.799%	4,525	8	0.800%
	10	0.000%	4,407	10	0.749%	3,907	9	0.691%
						3,543	10	0.626%
<u>80,036</u>		<u>13.482%</u>	<u>83,642</u>		<u>14.222%</u>	<u>78,922</u>		<u>13.952%</u>

Employees	Rank	Percentage of County Employment	2001			2000		
			Employees	Rank	Percentage of County Employment	Employees	Rank	Percentage of County Employment
20,143	1	3.580%	20,751	1	3.597%	19,569	1	3.522%
10,886	4	1.935%	10,649	3	1.846%	10,288	3	1.852%
11,607	3	2.063%	8,966	4	1.554%	9,966	4	1.794%
7,760	5	1.379%	5,914	5	1.025%	8,000	5	1.440%
14,000	2	2.489%	12,690	2	2.200%			
5,645	6	1.003%	4,955	7	0.859%	5,580	6	1.004%
4,342	9	0.772%	4,787	8	0.830%	5,100	7	0.918%
			3,500	10	0.607%			
4,500	8	0.800%				4,300	9	0.774%
5,242	7	0.932%	5,074	6	0.880%	4,356	8	0.784%
3,947	10	0.702%	4,150	9	0.719%	4,150	10	0.747%
						14,000	2	2.520%
<u>88,072</u>		<u>15.655%</u>	<u>81,436</u>		<u>14.117%</u>	<u>85,309</u>		<u>15.353%</u>

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
SCHOOL BUILDING INFORMATION & FULL-TIME EQUIVALENT ENROLLMENT DATA
LAST TEN FISCAL YEARS

	Acquired Date (1)	Square Footage (2)	Portables	Full-Time Equivalent Enrollment Data			2005-06	2004-05	2003-04	2002-03	2001-02	2000-01	1999-00
				2008-09	2007-08	2006-07							
Elementary Schools													
1980	108,294	-	644,8500	666,6400	725,1000	775,7167	791,1700	755,0100	738,4000	1,249,0700	1,280,0067	1,187,0117	
1950	72,346	1	658,0000	657,5000	628,9800	729,5800	675,1400	763,0000	737,5600	752,5000	765,5700	816,1300	
1954	54,253	2	376,7300	372,5400	363,0000	510,5900	482,7700	398,1967	433,6800	449,0400	449,5000	484,0000	
Apollo Beach Elementary	1981	89,935	-	570,0800	569,0200	600,6800	588,1500	591,1800	941,2300	788,5900	746,6400	692,5868	720,5400
Ballast Point Elementary	1924	55,026	6	395,5400	368,0600	392,8600	373,0200	377,5000	445,0500	448,0000	450,5000	417,0600	417,5200
Bay Crest Elementary	1969	86,215	2	842,3785	803,5800	829,7200	847,0500	835,7800	797,8100	791,4100	824,3150	822,2627	796,8250
Bellamy Elementary	1973	96,167	1	767,0500	802,5800	804,5700	882,1200	843,1300	877,5400	798,1400	853,5600	844,5000	825,6200
1989	95,218	-	777,1000	842,3400	847,4000	865,9400	817,2600	831,7700	1,106,8733	821,8100	574,7200	326,5800	
1989	96,583	2	625,0400	597,0000	612,0000	620,1350	787,2300	833,9500	832,7300	832,2200	806,5000	664,1200	
Boyette Springs Elementary	1990	116,405	-	1,032,1700	1,049,8600	1,065,7100	1,050,0821	988,7468	948,6566	934,1782	1,002,4900	1,007,1831	971,2068
Brooker Elementary	1961	97,935	3	892,2000	970,1800	978,3800	942,5067	948,4300	962,6800	971,2200	938,0900	1,002,7900	1,011,7000
Broward Elementary	1926	51,066	6	411,0000	508,0200	516,6200	536,0600	571,3000	465,3100	491,1200	533,7100	595,6900	602,2000
Bryan Elementary	1924	85,141	-	782,9800	810,6400	851,5600	812,0500	887,3392	770,5900	789,0300	895,1100	873,4100	852,5600
Bryant Elementary	2001	101,704	-	951,4700	907,5250	850,0100	1,301,4800	1,168,0617	1,069,5900	850,7318	-	-	-
Buckhorn Elementary	1976	102,305	-	642,9200	706,8150	724,3000	753,1800	719,6950	691,4800	981,0100	948,0700	900,3600	849,9050
Burney Elementary	1923	52,488	-	445,5400	426,5400	424,0400	389,0734	391,0800	394,5800	379,0400	-	-	-
Cahoon Elementary	1952	60,057	1	360,5000	346,9800	374,5000	529,5800	522,5800	554,5200	614,1000	627,0400	663,7300	642,0400
Cannella Elementary	1989	119,677	-	821,7405	894,0000	906,5400	904,5800	858,3400	928,2500	918,6500	935,2600	998,1400	1,030,7000
Carrollwood Elementary	1961	80,540	3	715,3600	693,5400	723,8200	591,7000	641,7200	724,2700	739,3400	777,3400	773,3900	776,2000
Chiaramonte Elementary	1955	61,094	1	375,5400	369,0000	365,5000	397,5300	425,0500	418,5600	407,1000	421,5000	455,1400	479,0800
Chiles Elementary	1996	97,668	-	726,0200	732,5200	760,6400	864,5600	808,1200	854,2300	775,7000	880,1200	-	-
Cimino Elementary	2001	91,196	3	961,0000	962,2600	1,004,2300	1,001,2400	967,3700	955,9900	865,1500	-	-	-
Citrus Park Elementary	1911	72,625	5	690,3600	623,8800	804,5900	740,9000	754,1900	710,8000	715,9300	873,1200	807,2467	725,9600
1960	76,253	-	617,8800	681,9400	718,4600	725,3900	687,3300	639,9200	697,8650	772,5567	705,2600	744,6300	
Clark Elementary	1996	107,992	-	814,3900	660,5400	640,0600	730,6500	1,015,1800	1,055,2300	978,2600	864,8450	918,0600	821,1400
Claywell Elementary	1980	106,930	-	766,2300	769,8500	851,1900	948,8850	964,5900	1,054,5000	1,094,0400	1,092,5400	1,051,1000	975,6600
Cleveland Elementary	1926	39,471	3	338,3000	333,1800	331,3000	271,2700	285,4600	326,8500	340,8300	440,4400	430,4800	428,6200
Collins Elementary	2004	107,187	-	761,5800	683,6800	1,019,3200	902,0000	-	-	-	-	-	-
Colson Elementary	1990	100,719	-	743,4700	760,5384	755,5900	750,5000	759,4300	747,1600	766,7400	735,4150	718,4167	708,4750
Cork Elementary	1879	84,118	-	854,6500	897,6000	922,0300	921,7000	870,0900	904,8600	805,7100	834,6050	831,0300	819,0267
Corr Elementary	2000	92,997	-	701,5600	689,9100	639,5900	783,0300	651,6800	-	-	-	-	-
Crestwood Elementary	1967	94,202	-	983,0000	1,014,4200	1,009,0000	1,014,5600	1,013,5000	1,013,0000	1,017,5000	1,067,0600	1,097,0800	987,6100
Cypress Creek Elementary	1990	113,106	3	915,1100	1,005,2100	962,6300	979,3400	964,7800	968,6600	899,1350	897,5400	876,8934	787,0000
Davis Elementary	2004	93,577	1	883,0800	917,0800	916,0900	892,5300	798,5200	-	-	-	-	-
Deer Park Elementary	2006	88,915	-	825,1800	654,0600	411,0400	-	-	-	-	-	-	-
Desoto Elementary	1910	34,078	1	232,0300	195,2584	387,0000	368,6000	351,5000	295,5000	305,0000	323,0200	299,0900	298,6000
Dickenson Elementary	1963	75,829	-	517,0534	510,5000	511,2101	535,4017	546,2600	727,4250	639,8850	749,2700	684,2900	646,3800
Doby Elementary	2003	82,342	-	498,5600	452,7936	390,0700	-	-	-	-	-	-	-
Dover Elementary	1912	115,121	5	818,1552	861,0200	859,1963	851,9706	896,7400	854,6300	815,1900	795,3800	759,6502	781,6000
Dunbar Elementary	1926	37,812	-	289,0000	307,5000	314,0000	325,0000	359,0000	395,5000	431,0200	420,0000	415,5000	418,4600
Edison Elementary	1925	59,303	-	441,4300	524,1000	504,1400	521,4200	562,1450	681,1000	675,1000	439,1400	419,9600	423,5000
Egypt Lake Elementary	1955	64,454	1	490,1000	475,4900	476,3901	543,4835	548,4600	550,0400	457,5200	458,0600	885,6200	943,0300
Essrig Elementary	1985	92,379	-	817,1800	856,7500	851,1900	1,002,4700	1,016,3000	1,066,3550	1,112,6700	1,096,5000	1,102,1400	1,127,6750
Fishhawk Creek Elementary	2003	99,472	7	1,134,8400	1,085,8500	951,4767	768,6600	568,6800	-	-	-	-	-
Folsom Elementary	1990	94,923	-	580,4817	611,0000	636,0200	753,0600	793,1200	982,4250	981,2000	960,0800	992,3100	963,0800
Forest Hills Elementary	1954	110,877	1	956,4300	1,109,3717	1,121,6200	899,6000	889,5300	939,6150	937,6100	958,7800	965,2134	917,1200
Foster Elementary	1953	74,644	4	502,1600	521,7751	562,0217	510,2500	461,5000	676,2000	733,5400	675,7200	770,2600	769,9000
Frost Elementary	2004	95,927	-	748,9434	745,0600	767,0300	670,1267	-	-	-	-	-	-
Gibson Elementary	1959	79,835	4	641,9600	677,9300	743,4450	704,6600	690,6500	732,0500	734,0700	712,1400	672,2400	695,2800
Gorrie Elementary	1899	64,315	-	529,8600	560,5400	562,6100	541,2900	559,2800	554,2100	554,6400	516,6000	565,0800	577,5900
Grady Elementary	1958	61,286	1	386,9500	374,5300	401,1500	390,0800	419,7301	433,8202	459,8500	483,2900	545,6600	561,6000
Graham Elementary	1922	39,529	5	364,4700	359,9667	362,0100	372,9000	345,0400	338,4100	300,7700	328,1200	342,6267	362,8000
Hammond Elementary	2005	86,525	-	607,1000	599,0600	-	-	-	-	-	-	-	-
Heritage Elementary	2000	66,504	-	584,0000	542,5000	477,0800	456,6300	516,6200	372,0700	-	-	-	-
Hunters Green Elementary	1990	132,187	1	880,1350	783,8000	876,6500	925,5700	988,0200	910,6300	892,4300	850,2500	798,9050	1,173,3200
Ippolito Elementary	2001	85,901	-	727,5400	809,3959	719,0000	602,0450	916,6700	779,3900	695,0600	-	-	-
Jackson Elementary	1926	56,293	-	505,9400	535,5600	567,3000	533,5000	518,0700	456,0750	420,0800	411,5000	390,0800	396,1500
James K-8 School	1964	70,652	1	677,4441	598,8378	397,4800	882,0000	814,6500	-	66,9500	34,5000	67,5000	59,0000
1959	70,162	-	575,8000	555,7700	645,6700	648,1200	579,0800	579,0800	-	156,5100	128,5100	118,4200	149,9500
Kenly Elementary	1927	66,141	-	448,0200	469,0500	476,5400	467,9600	446,1000	556,1500	557,0000	605,5600	530,5000	575,1200
Kimbell Elementary	2007	68,567	-	440,3401	-	-	-	-	-	-	-	-	-
Kingswood Elementary	1967	71,680	-	612,2400	582,0700	565,1200	604,6800	616,6900	697,8600	762,2000	738,2900	861,1900	729,0900
Knights Elementary	1976	94,287	-	718,5600	764,6900	773,2200	799,1900	782,1600	812,6700	766,6200	784,1700	753,6200	730,1000

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SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
SCHOOL BUILDING INFORMATION & FULL-TIME EQUIVALENT ENROLLMENT DATA
LAST TEN FISCAL YEARS

	Acquired Date (1)	Square Footage (2)	Portables	Full-Time Equivalent Enrollment Data			2005-06	2004-05	2003-04	2002-03	2001-02	2000-01	1999-00
				2008-09	2007-08	2006-07							
Lake Magdalene Elementary	1946	109,683	-	875.5400	860.6670	901.4523	890.5339	916.7336	991.5005	960.8806	963.2404	1,039.1202	1,056.5834
Lanier Elementary	1956	52,179	4	318.3000	316.1000	345.6800	398.0300	448.2300	434.6600	480.8600	472.3000	507.8300	497.6000
Lee Elementary School Of Technology	1906	45,690	-	330.4700	346.9500	396.5584	385.0000	399.8000	429.0000	471.0000	476.0000	443.0000	476.0000
Lewis Elementary	1958	101,698	-	715.6050	756.5950	777.1800	834.1100	767.2600	804.7500	828.6201	836.4000	918.1134	914.8600
Limona Elementary	1971	66,488	-	539.5200	607.5800	593.5800	626.0600	609.6200	583.2800	946.6100	1,005.3250	934.1500	913.7700
Lincoln Elementary	1923	51,315	3	354.7300	387.6300	384.0000	442.0000	455.5400	456.2800	498.0400	448.1800	445.6800	426.5600
Lithia Springs Elementary	1990	102,686	-	633.6000	648.1400	666.1800	677.7200	631.6200	616.2400	683.9200	905.6200	957.6236	1,013.9400
Lockhart Elementary	1951	85,420	-	446.0800	436.0000	431.1500	419.1200	365.2000	358.7100	457.1500	508.2200	446.5600	530.0400
Lomas Elementary	1907	45,040	2	371.5000	385.0000	407.5000	404.5000	362.5000	271.0000	242.0000	224.5000	219.5000	227.0000
Loper Elementary	1950	94,602	14	815.7550	835.7200	830.6204	827.1404	796.2302	765.8100	763.6400	708.1800	680.0600	725.0750
Lowry Elementary	1991	120,961	-	839.1100	889.6000	901.7000	759.8700	766.3100	996.0850	948.7400	913.5000	823.0600	750.6600
Lutz Elementary	1920	93,938	1	716.0484	767.1000	769.0834	759.3300	697.8750	646.8750	628.2800	635.7000	651.2800	643.5900
Mabry Elementary	1926	100,309	-	753.7200	748.2200	720.6000	711.2400	749.3200	758.6700	754.6667	731.9700	726.0400	715.4600
Macfarlane Elementary	1925	43,667	-	363.0000	355.6600	392.4000	325.9000	308.0000	149.2000	-	-	-	-
Mango Elementary	1927	87,361	-	661.2335	663.2471	632.0238	633.5800	601.3170	573.6004	756.9473	798.3472	814.7209	821.3991
Manisaculo Elementary	1987	105,813	-	616.5400	742.7000	-	734.6800	758.3600	763.2200	730.6250	780.1668	822.6550	867.6550
Mcdonald Elementary	1976	68,677	-	509.9600	538.9200	554.9600	558.3100	589.1750	629.7600	620.6200	627.5400	654.5000	678.0000
Mckittrick Elementary	1999	94,937	-	866.2900	884.1500	1,107.3000	1,112.4900	1,060.9300	981.5100	925.9450	787.4815	-	-
Mendenhall Elementary	1947	89,624	-	564.4800	577.0300	644.0000	602.0000	633.6200	731.1200	730.5900	745.6534	922.1300	959.1000
Miles Elementary	1954	75,391	-	714.0603	749.5598	722.3500	680.0000	586.4800	499.5400	514.5800	591.5000	462.0800	496.9000
Mintz Elementary	1990	115,441	1	884.4584	850.1200	901.0000	948.4500	982.1750	924.1535	972.2400	909.3200	1,547.2000	1,421.7600
Mitchell Elementary	1915	70,071	-	559.6400	523.5800	469.2000	565.1600	594.0600	557.6300	537.5400	517.0600	560.0600	541.1200
Morgan Woods Elementary	1967	62,805	1	570.0000	551.9200	-	552.5000	577.5000	612.5000	616.0450	666.5800	689.0900	692.2100
Mort Elementary	1965	90,906	5	746.7500	789.4900	892.5600	869.6936	864.1500	798.5400	868.2200	863.8334	851.1367	936.5600
MOSI Partnership Elementary	n/a	n/a	n/a	282.0000	247.5000	-	-	-	-	-	-	-	-
Muller Elementary	2001	53,804	-	310.0000	358.0000	380.0000	371.5000	361.5000	332.5200	-	-	-	-
Nelson Elementary	2002	89,609	-	897.3800	922.7850	920.6000	903.6600	839.6800	714.0800	-	-	-	-
Northwest Elementary	1984	101,894	-	728.6850	789.6100	838.6600	860.1000	882.6634	860.1600	846.7000	822.1600	897.4400	951.8184
Oak Grove Elementary	1946	11,037	-	880.6700	882.1000	849.6000	883.0800	851.0800	928.1200	869.5600	845.3400	978.8000	978.8000
Oak Park Elementary	1964	-	-	-	-	391.0400	429.5167	428.5100	419.1400	443.6500	537.4001	621.6400	584.6200
Oak Park Elementary	2005	72,288	-	587.5600	647.5000	-	-	-	-	-	-	-	-
Palm River Elementary	1948	77,762	2	497.3501	556.5000	609.5800	554.0600	553.5900	579.6200	515.2000	569.7000	574.0600	560.0800
Pinecrest Elementary	1936	103,325	-	584.8600	641.0600	656.3400	659.9200	649.3300	683.4200	721.8300	687.1500	703.3200	748.7400
Pizzo Elementary	1996	93,296	-	706.5600	830.7800	856.0400	935.5100	927.4300	893.2400	848.7800	821.1000	971.7000	919.1000
Potter Elementary	1960	62,387	7	553.6800	561.0267	787.1750	681.1134	595.0500	195.3900	199.4800	179.9700	197.6300	195.2400
Pride Elementary	1999	94,904	4	939.1400	882.0534	872.5800	893.9000	878.0200	866.0900	992.1750	866.1200	644.6400	-
Rampello Downtown Partnership School	2002	96,113	-	689.3320	696.7134	680.4723	697.0977	211.0000	200.5000	181.0000	172.0000	161.5000	116.5000
Reddick Elementary	2006	81,058	-	592.5800	-	-	-	-	-	-	-	-	-
Riverhills Elementary	1962	54,636	-	464.9750	496.6000	498.5800	569.9734	571.5000	581.0800	562.6100	526.0200	473.5600	406.5000
Riverview Elementary	1960	86,357	-	621.5250	595.7667	579.9488	607.7200	622.4300	669.3300	781.4400	744.7500	1,032.8700	975.9400
Robinson Elementary	1959	83,357	2	680.2200	644.6848	616.5800	644.6400	629.1200	685.3000	733.7617	727.1400	693.3000	702.0000
Robles Elementary	1959	76,857	1	649.0300	682.8300	730.0500	653.1400	568.6500	529.5100	526.8100	629.5700	697.9216	747.0600
Roland Park K-8 School	1963	118,830	3	663.8946	722.7500	772.0000	809.5000	880.5000	894.8300	859.5000	908.0111	914.9340	929.5519
Roosevelt Elementary	1925	70,930	-	555.8450	534.4200	528.3635	489.4100	504.6600	530.7948	514.3600	508.6200	526.1100	536.6400
Ruskin Elementary	1942	92,513	3	845.9100	1,135.5667	1,024.0950	846.5367	802.5900	763.1000	771.0600	733.1200	739.1000	742.2700
Schmidt Elementary	2002	88,037	-	658.4502	646.4600	762.7400	761.6900	713.1000	678.0685	-	-	-	-
Schwarzkopf Elementary	1991	97,870	1	578.8500	579.1854	742.0800	786.4950	800.8000	793.8600	773.3800	780.2100	1,333.4200	1,245.1200
Seffner Elementary	1961	86,465	-	709.0700	695.0900	691.1700	698.3300	746.2500	823.3700	778.1000	779.8800	755.6300	817.5900
Seminole Elementary	1921	71,550	1	347.2850	368.4200	438.0000	536.5000	522.0200	576.5000	596.4500	616.5600	732.5950	762.7007
Sessums Elementary	2002	101,500	-	872.8500	872.0600	-	662.0000	1,212.6100	1,004.7200	-	-	-	-
Shaw Elementary	1971	82,530	-	633.8000	908.5000	1,124.2701	1,049.2400	864.0600	650.1200	717.0000	780.5200	980.0500	1,039.0800
Sheehy Elementary	2001	56,176	6	471.6500	502.5400	493.7300	511.7367	423.5800	-	-	-	-	-
Shore Elementary	1928	63,404	-	347.7000	396.2500	405.3987	400.9000	409.5000	467.5000	548.9200	495.9000	497.0200	499.9800
Springhead Elementary	1914	80,725	1	812.6200	854.6200	823.6800	819.7700	791.5900	772.5600	739.6800	788.8600	751.6600	701.8300
Sulphur Springs Elementary	1949	83,589	-	474.3734	600.0600	662.1801	673.4400	668.1400	732.3467	805.3100	862.3900	903.6500	896.4000
Summerfield Crossings	2005	80,457	-	886.2700	722.0400	-	-	-	-	-	-	-	-
Summerfield Elementary	1989	116,741	3	889.6100	860.6200	926.5500	939.1400	853.4300	711.6200	1,183.7400	1,138.1000	1,014.6200	898.4167
Symmes Elementary	1999	70,629	-	586.5800	635.0800	595.0900	590.6900	625.0100	614.1100	1,097.5400	-	-	-
Tampa Bay Boulevard Elementary	1924	72,586	2	699.1967	721.2034	769.5401	653.0400	670.0950	662.1400	649.0300	689.8800	711.4750	672.4452
Tampa Palms Elementary	1987	122,485	-	784.1701	755.7000	852.6000	789.8350	840.2600	894.6500	799.2500	739.7917	1,172.1000	1,195.4400
Temple Terrace Elementary	1955	94,526	-	664.0550	608.9200	691.4350	746.4700	729.6000	755.4300	749.6400	782.0000	756.6300	738.6600
Thonotosassa Elementary	1961	55,534	-	374.6200	402.0600	383.6300	391.5000	346.0400	382.5000	415.0800	413.1000	422.5200	420.6600
Tinker Elementary	1939	69,191	-	573.0300	581.9600	555.0500	526.6200	492.7400	365.0900	566.2602	561.5900	556.5300	557.0400
Town & Country Elementary	1961	72,568	-	449.4500	468.5600	493.3600	475.4000	494.9950	520.2150	522.0000	497.7500	553.1300	584.5600

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B-87

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SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
SCHOOL BUILDING INFORMATION & FULL-TIME EQUIVALENT ENROLLMENT DATA
LAST TEN FISCAL YEARS

	Acquired Date (1)	Square Footage (2)	Portables	Full-Time Equivalent Enrollment Data			2005-06	2004-05	2003-04	2002-03	2001-02	2000-01	1999-00
				2008-09	2007-08	2006-07							
High Schools													
Alonso High	1999	271,211	8	2,791,0090	2,742,1688	2,662,7518	2,695,0012	2,519,9250	2,324,0000	1,994,0834	1,397,0004	-	-
Armwood Senior High	1983	338,248	-	1,865,2874	1,934,5842	1,926,5700	2,029,9559	1,952,9850	1,819,5750	1,738,0500	1,675,4250	1,719,2832	1,698,3000
Blake Senior High	1995	398,036	-	1,383,2666	1,595,0000	1,721,9170	1,789,9173	1,682,1450	1,557,9950	1,727,2165	1,650,3812	1,680,3383	1,667,5000
Bloomington Senior High	1982	297,148	1	2,361,0244	2,266,5882	2,181,9332	2,234,0556	2,241,9848	2,304,7020	2,747,8364	2,713,9944	2,670,0550	2,531,4163
Brandon Senior High	1960	301,911	4	2,326,1700	2,208,5838	2,017,1000	2,002,1114	2,029,3850	2,001,7500	1,849,7750	1,894,0500	1,731,6000	1,731,0500
Chamberlain Senior High	1956	260,447	8	2,061,0095	2,118,4528	2,190,9598	2,170,3057	2,203,7950	2,065,0280	2,132,0698	2,203,7600	2,222,0620	2,148,4700
D. W. Waters Center	1911	76,044	-	263,7160	245,1583	267,1325	350,3500	339,9750	-	-	-	-	56,0000
Durant Senior High	1992	282,677	1	2,458,9338	2,571,5044	2,733,4250	2,766,5000	2,582,0000	2,491,0150	2,492,6850	2,378,4252	2,328,1500	2,296,7500
East Bay Senior High	1971	261,258	7	1,941,2854	1,820,3948	1,848,0800	2,558,8000	2,321,2800	2,220,9000	2,055,5500	2,084,7900	2,026,8000	1,896,2000
Freedom Senior High	1999	319,051	6	2,118,0092	2,084,3364	2,110,3344	2,079,7506	1,793,7260	1,512,2172	1,000,6302	-	-	-
Gaither Senior High	1983	302,030	2	2,307,1042	2,317,0854	2,309,5033	2,374,2854	2,368,7862	2,377,7848	2,380,3911	2,738,6351	2,590,6676	2,464,8336
Hillsborough Senior High	1927	280,224	3	1,950,1680	1,910,4170	2,043,8250	2,016,1633	1,980,2500	1,998,7750	2,055,0500	2,260,6100	2,254,4251	2,174,5990
Jefferson Senior High	1971	240,224	3	1,691,5846	1,827,7518	1,819,8750	1,847,8000	1,823,2015	1,760,6246	1,653,1160	1,585,8250	1,548,4500	1,492,4680
King Senior High	1959	250,481	1	1,821,9904	1,823,2136	1,956,0750	2,040,6500	2,056,8750	2,064,5000	2,114,8500	2,152,3948	2,096,8000	1,948,8500
Leonard High School	2003	243,755	-	1,226,9230	1,101,5016	730,4302	-	-	-	-	-	-	-
Leto Senior High	1964	284,781	2	1,756,1031	1,727,8336	1,764,7070	1,799,7481	1,773,0534	1,849,3718	1,881,5800	2,081,3540	2,130,2000	2,146,2000
Middleton Senior High	1999	236,263	5	1,287,5440	1,606,2522	1,749,8486	1,977,8750	2,002,7750	1,843,2250	1,346,6600	-	-	-
Newsome Senior High	1999	271,634	-	2,109,3136	2,172,0132	2,052,0500	1,847,8500	1,538,2000	953,5750	-	-	-	-
Plant City Senior High	1971	302,902	3	2,826,3892	2,752,6656	2,658,0734	2,627,2000	2,455,1100	2,409,5100	2,398,2166	2,304,5500	2,320,0000	2,389,8600
Plant Senior High	1926	215,851	-	2,254,8396	2,155,8428	1,997,1812	1,958,5828	1,993,9224	1,999,7274	1,990,5412	1,949,7060	1,864,0830	1,804,8000
Riversview Senior High	1995	305,265	1	2,131,1560	2,085,6948	2,268,0000	2,775,8201	2,652,6111	2,594,0500	2,785,3150	2,708,7500	2,449,4000	2,131,4500
Robinson Senior High	1957	202,033	4	1,281,4683	1,225,0000	1,210,1000	1,187,9000	1,168,2930	1,208,1500	1,207,1500	1,228,0000	1,286,3750	1,333,7500
Sickles Senior High	1985	321,529	5	2,588,1748	2,631,7578	2,640,1688	2,627,0024	2,492,7494	2,153,9808	2,079,0842	2,150,5004	2,957,5842	2,757,3344
Spoto High School	2004	225,854	-	1,433,9170	1,458,8344	1,086,8500	-	-	-	-	-	-	-
Tampa Bay Technical High School	1967	267,038	11	2,096,4182	1,969,9202	1,859,2214	1,841,1490	1,735,4804	1,906,6537	1,637,9427	1,704,8152	1,701,2506	1,675,7302
Wharton Senior High	1987	322,499	1	2,320,4274	2,326,2526	2,309,7750	2,211,8206	2,074,2250	2,029,5850	2,024,7000	2,557,9750	2,330,5000	2,258,9250
Total High Schools				50,653,2327	50,678,8083	50,115,8876	49,810,5944	47,782,7332	45,446,6953	43,292,4931	41,420,9417	39,908,0240	38,604,4865
Specialty Schools													
Caminiti Exceptional Student Education	1985	54,653	1	185,9303	181,9364	185,5000	187,9350	194,0749	196,8000	190,5000	194,5000	185,5000	181,9587
Carver Exceptional Center	1925	34,310	-	94,0000	116,5000	106,4903	94,4086	76,0000	60,0000	104,5000	102,7444	124,2838	119,0000
Lavoy Exceptional Student Education	1962	42,648	9	106,4400	124,6750	125,4750	125,0000	115,2800	110,0750	114,0000	112,5000	102,5000	106,3300
Manhattan Center	1952	52,407	4	-	-	-	-	-	-	-	241,5000	182,5000	199,0200
Velasco Student Services	1985	42,596	-	-	-	-	-	40,7015	60,0854	58,3432	63,2192	188,6044	125,2080
Brandon Alternative	1954	5,966	28	199,3190	190,9706	220,1250	193,2000	168,1950	144,4340	-	-	-	-
East County Alternative Center	1957	0	11	-	-	38,5000	59,0000	56,0000	105,1300	81,0000	66,3500	-	-
Meacham Center	1926	30,169	-	-	-	121,4575	144,7725	132,5425	-	65,6700	85,1700	87,0300	103,1300
North Tampa Alternative Center	1988	0	20	210,0000	178,7584	78,0000	137,3310	113,6100	117,0450	119,4400	128,6772	-	-
Bowers Whitley Career Center	2001	53,367	-	387,1680	367,3000	368,7500	399,1131	403,5000	-	-	-	-	-
Simmons Career Center	1923	46,423	-	302,3395	313,3961	311,7211	352,7451	342,9951	-	-	-	-	-
South County Career Center	2000	102,863	-	276,3750	277,2500	321,2500	391,8650	392,6200	364,4500	340,8750	-	-	-
Total Specialty Schools				1,761,5718	1,750,7865	1,877,2689	2,085,3703	2,035,5190	1,158,0194	1,074,3282	994,6608	870,4182	834,6467
Charter Schools													
Anderson Elementary Academy	n/a	n/a	n/a	103,1100	153,5500	62,0000	-	-	31,0000	-	-	-	-
Brooks DeBartolo Collegiate	n/a	n/a	n/a	245,5000	186,5000	-	-	-	-	-	-	-	-
Carl Sagan Academy	n/a	n/a	n/a	75,5000	68,5000	71,0000	49,6680	-	-	-	-	-	-
Central City Elem of Tampa	n/a	n/a	n/a	-	-	-	130,0000	102,5000	113,0000	116,1267	115,5000	-	-
Community Charter School	n/a	n/a	n/a	120,0000	-	-	-	-	-	-	-	-	-
Eastside Multi-Cultural School	n/a	n/a	n/a	-	-	-	-	-	184,0000	229,9000	221,5000	158,5000	127,0000
Florida Autism Charter School	n/a	n/a	n/a	70,1300	89,5000	-	-	-	-	-	-	-	-
Hope Preparatory Academy	n/a	n/a	n/a	73,0000	55,5000	54,5000	33,0000	-	-	-	-	-	-
Kid's Community College	n/a	n/a	n/a	223,0000	152,5000	99,0000	51,0000	-	-	-	-	-	-
Learning Gate Community	n/a	n/a	n/a	526,3753	500,5000	454,5000	404,5000	391,0000	337,5000	256,5000	194,5000	93,5000	-
Literacy Leadership Tech Academy	n/a	n/a	n/a	231,5000	173,0000	109,5000	92,0000	-	-	-	-	-	-
Literacy Leadership Tech High	n/a	n/a	n/a	63,5000	-	-	-	-	-	-	-	-	-
Metropolitan Ministries	n/a	n/a	n/a	78,0000	69,0000	40,0000	43,0000	26,5000	27,0000	32,9367	32,5000	40,4000	29,0000
Mount Pleasant	n/a	n/a	n/a	122,0000	96,0000	109,0000	114,0000	66,5000	87,5000	-	-	-	-
Pepin Academy of Tampa	n/a	n/a	n/a	148,0036	143,3356	136,5862	112,7874	209,2542	186,3368	173,0000	133,2000	73,5270	30,0000
Prince Academy	n/a	n/a	n/a	43,5000	64,5000	73,5000	73,5000	35,5000	45,5000	-	-	-	-
Quest Middle School	n/a	n/a	n/a	74,5922	113,0000	117,5000	105,0000	-	-	-	-	-	-
RCMA Winnauma Academy	n/a	n/a	n/a	150,9500	153,0000	156,5000	130,5000	109,0000	108,0000	-	-	-	-
RE-Birth Academy	n/a	n/a	n/a	73,9500	94,5000	100,0000	118,0000	109,0000	103,5000	87,5000	103,5000	79,0000	45,5000
Redlands Christian Migrant	n/a	n/a	n/a	-	-	-	-	-	-	104,0000	80,2001	37,5000	-
Richard Milburn Academy	n/a	n/a	n/a	-	-	-	254,4001	214,6676	125,6170	53,8340	-	-	-

(Continued)

B-89

2005-06	2004-05	2003-04	2002-03	2001-02	2000-01	1999-00
-	-	-	-	-	-	-
154.0000	170.0000	180.0000	167.0000	162.0000	147.7334	153.7000
98.5000	97.0000	98.5000	-	-	-	-
-	178.5000	280.5000	273.7910	306.5834	211.0000	170.4000
351.5000	307.5000	286.0000	258.5000	238.4710	158.5000	158.5000
61.5000	79.4416	104.5000	110.0200	101.1200	58.0000	54.4000
207.5000	196.5026	-	-	-	-	-
481.0000	467.0000	511.0000	466.1200	361.5000	267.0100	166.5000
147.5000	190.5000	162.8000	152.4000	153.3000	145.0000	125.9400
57.0000	-	-	-	-	-	-
104.4500	113.5000	117.5000	131.0000	97.0000	53.0000	-
122.9200	71.9600	-	-	-	-	-
-	55.5000	61.0000	-	-	-	-
3,497.2255	3,191.3260	3,150.7538	2,612.6284	2,300.8205	1,522.6704	1,060.9400
-	-	-	-	-	-	-
123.5000	143.0000	138.3335	95.5000	94.0000	111.5000	121.5000
16.1684	15.0350	-	-	-	-	-
45.6674	-	-	-	-	-	-
56.5000	68.5000	83.3000	117.6000	96.5500	75.9597	34.9400
-	-	46.1284	49.6400	49.4782	51.2500	48.6204
-	-	76.0857	95.4288	116.7000	93.0000	71.0000
836.5000	713.0000	589.0000	430.8134	170.0000	25.0000	25.0000
97.4850	50.1875	359.5158	446.2174	680.3107	800.9635	795.1352
3.5000	9.5000	2.5000	17.0000	8.0000	19.5000	15.0000
23.5000	16.0000	18.0000	22.5000	25.0000	24.5000	8.4283
147.0000	139.0000	137.0000	140.6668	114.5000	-	-
33.6078	155.0096	-	-	-	-	-
60.1250	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	360.6300	467.7356	95.0995	64.3767	-
49.5000	47.0000	15.9174	-	-	-	-
69.2000	66.5000	72.5000	51.0000	42.0000	63.0000	17.3574
116.5000	113.2000	108.2000	100.0000	94.0000	112.0000	26.2510
89.0000	84.0000	93.0000	86.5000	91.5000	88.0000	37.9640
26.5000	23.0000	25.5000	22.9170	27.5000	27.5000	17.4658
66.0000	34.5000	47.2500	19.3012	13.0000	2.0000	-
45.7000	43.0000	41.3668	40.5000	41.5000	39.5000	11.4780
16.5000	15.5000	12.5000	9.5000	-	-	-
56.0000	69.8584	66.0000	75.0000	68.0000	62.5000	11.3965
34.0000	29.0000	32.7000	30.5000	33.0000	53.0000	15.4582
41.1018	57.6146	25.0918	-	-	-	-
2,053.5354	1,882.4051	2,350.5194	2,318.3202	1,859.1384	1,715.6399	1,232.0252
-	-	-	-	-	-	-
190.5957	185.51140	178.18699	171.63506	166.00845	160.55614	154.99024

Source: District Records

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NUMBER OF PERSONNEL
LAST TEN FISCAL YEARS

Fiscal Year	(A) Instructional	(B) Administrative	(C) Support Services	Total	Ratio of Students to Instructional Personnel	Ratio of Instructional Personnel to Administrators
2009	15,376	840	9,056	25,272	12.34	18.30
2008	15,229	836	9,295	25,360	12.51	18.22
2007	15,118	828	9,175	25,121	12.61	18.26
2006	14,517	800	8,969	24,286	13.13	18.15
2005	13,959	799	8,843	23,601	13.29	17.47
2004	12,827	822	9,085	22,734	13.89	15.60
2003	12,340	576	8,708	21,624	13.91	21.42
2002	11,361	594	8,188	20,143	14.61	19.13
2001	11,604	557	8,590	20,751	13.84	20.83
2000	11,457	647	7,465	19,569	13.53	17.71

Note: Full Time Employees Only

- (A) Classroom Teachers, Guidance/Psychologists, Exceptional Education Teachers, Media Specialists
 Other Professional Instructional Staff
- (B) Principals, Assistant Principals, Superintendent, Assistant Superintendent/Chief Division Officer, General Directors
 Directors, General Managers, Managers, Supervisors/Customer Svc Managers, Coordinators/Asst Dept Managers
- (C) Paraprofessional, Bus Drivers, Maintenance, Student Nutrition, Custodial, Clerical, Etc.

Source: District Records

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
TEACHER BASE SALARIES
LAST TEN FISCAL YEARS

Fiscal Year	Minimum Salary	Maximum Salary	Average Salary
2009	\$ 37,014	\$ 61,594	\$ 44,650
2008	37,014	61,594	47,601
2007	35,012	57,905	44,755
2006	32,005	53,619	37,370
2005	31,000	51,544	37,338
2004	30,501	51,016	36,888
2003	30,501	50,609	36,730
2002	30,001	50,539	34,358
2001	30,001	50,137	33,705
2000	27,587	46,562	32,076

10 Month Teachers

Source: District Records

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
FOOD SERVICE OPERATING DATA
LAST EIGHT YEARS

	Fiscal Year							
	2009	2008	2007	2006	2005	2004	2003	2002
Days Meals Served:	182	182	184	184	184	184	184	184
Student Lunches Served:								
Paid Lunches (regular)	4,551,148	5,409,282	5,201,286	4,242,669	4,527,037	4,690,815	4,529,784	4,551,758
Reduced Lunches (regular)	2,822,078	2,767,948	2,677,766	2,253,652	1,763,595	1,953,278	1,816,024	1,607,033
Free Lunches (regular)	11,785,998	10,990,241	10,766,501	10,644,586	10,430,109	9,788,041	9,510,496	9,099,676
Total Student Lunches Served	19,159,224	19,167,471	18,645,553	17,140,907	16,720,741	16,432,134	15,856,304	15,258,467
Daily Average Student Lunches Served	105,270	105,316	101,335	93,157	90,874	89,305	86,176	82,926
Student Breakfasts Served:								
Paid Breakfasts (regular)	3,901,214	3,976,455	4,053,309	3,744,477	3,598,110	3,723,886	3,516,952	1,382,999
Reduced Breakfasts (regular)	1,527,314	1,440,498	1,413,870	1,264,644	1,120,542	1,256,862	1,117,704	663,165
Free Breakfasts (regular)	6,990,486	6,266,791	6,267,877	6,474,779	6,430,671	6,189,969	5,872,876	4,947,613
Total Student Breakfasts Served	12,419,014	11,683,744	11,735,056	11,483,900	11,149,323	11,170,717	10,507,532	6,993,777
Daily Average Student Breakfasts Served	68,236	64,196	63,777	62,413	60,594	60,710	57,106	38,010
LUNCH PRICES:								
Elementary	\$2.25	\$1.75	\$1.75	\$1.75	\$1.75	\$1.50	\$1.50	\$1.25
Secondary	\$2.75	\$2.25	\$2.25	\$2.25	\$2.25	\$1.80	\$1.80	\$1.55
BREAKFAST PRICES:								
Elementary	FREE	FREE	FREE	FREE	FREE	FREE	FREE	FREE
Secondary	FREE	FREE	FREE	FREE	FREE	FREE	FREE	FREE
Free and Reduced Percentages:								
Paid	26.8%	30.4%	30.4%	27.9%	29.2%	30.5%	30.5%	26.7%
Reduced	13.8%	13.6%	13.5%	12.3%	10.3%	11.6%	11.1%	10.2%
Free	59.6%	56.0%	56.1%	59.8%	60.5%	57.9%	58.4%	63.1%

(a) Data unavailable before fiscal year 2002

Source: District Records

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APPENDIX C

DEFINITIONS APPLICABLE TO THE BASIC DOCUMENTS

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DEFINITIONS

"Accreted Value" of a Capital Appreciation Certificate means the original principal amount thereof payable from the Principal Component of Basic Rent Payments plus interest payable from the Interest Component of Basic Rent Payments accrued thereon on the basis of a 360-day year consisting of twelve 30-day months compounded semi-annually on each Payment Date commencing on the Payment Date next succeeding the dated date of such Capital Appreciation Certificates to the date of maturity or redemption prior to maturity of such Capital Appreciation Certificates on the date of determination. The Accreted Value with respect to any date other than a Payment Date is the Accreted Value on the next preceding Payment Date or the dated date of such Capital Appreciation Certificates for the period between such dated date and the initial Payment Date for such Certificates plus the percentage of the Accreted Value on the next succeeding Payment Date derived by dividing the number of days from the next preceding Payment Date or the dated date of such Capital Appreciation Certificates for the period between such dated date and the initial Payment Date for such Certificates to the date of determination by the total number of days from the next succeeding Payment Date or the dated date of such Capital Appreciation Certificates for the period between such dated date and the initial Payment Date for such Certificates to the next succeeding Payment Date.

"Act" means Chapters 1001 et. seq., Florida Statutes, and other applicable provisions of law.

"Amortization Installment" means an annual amount designated as such by the Trust Agreement, such amount to be included in the Basic Rent Payments and to be deposited by the Trustee to the credit of the Principal Account for the purpose of paying Term Certificates.

"Architect" means, with respect to a Project involving the construction of a Building, the architect or firm of architects appointed to perform the duties of the Architect in accordance with Section 5.01 of the Lease Agreement. The Architect may be an employee of the Board, the Developer or the Contractor.

"Assignment of Lease Agreement" means the Assignment of Lease Agreement, dated as of April 1, 1994, by and between the Corporation and the Trustee, as now or hereafter amended.

"Authorized Officer," when used with respect to the Corporation, means the President, Vice President, Secretary or Treasurer of the Corporation or their deputies or

assistants or any other officer of the Corporation who is designated by the Board of Directors of the Corporation as an Authorized Officer for purposes of the Lease Agreement and the Trust Agreement in a written certificate signed by the Chairman of the Board of Directors of the Corporation and filed with the Trustee. The term "Authorized Officer," when used with respect to the Board, means the Chairman, the Superintendent or his designee or any other officer or employee of the Board designated by the Board as an Authorized Officer for purposes of the Lease Agreement and the Trust Agreement in a written certificate signed by the Chairman of the Board and filed with the Trustee.

"Available Revenues" means the moneys and revenues of the Board legally available under the Act to make the Lease Payments. "Available Revenues" shall include, to the extent permitted by the Act, but not be limited to, PECO Funds, FEFP and the Capital Outlay Millage.

"Basic Rent" or **"Basic Rent Payment"** means the Basic Rent payments set forth in the Lease Schedules, as the same may be adjusted pursuant to the terms of the Lease Agreement.

"Basic Rent Payment Date" means the dates on which Basic Rent becomes due as described in the Lease Schedules. Such Basic Rent Payment Dates shall occur on each January 1 and July 1 unless a Lease Schedule states otherwise; provided, payments of Basic Rent shall be made at the time indicated in Section 4.03 of the Lease Agreement.

"Board" means the School Board of Hillsborough County, Florida, and any successor thereto.

"Budget" means the annual budget of revenues and expenses and capital expenditures required to be adopted by the Board for each Fiscal Year pursuant to the laws of the State. "Budget" shall include the Board's continuation Budget, tentative Budget and its final Budget.

"Buildings" means, in regard to a Project, the structures to be financed or refinanced from a disbursement from the Project Account and leased to the Board as part of a Project pursuant to the terms of the Lease Agreement and Trust Agreement and which is more particularly described in the Lease Schedule relating to such Project, as the same may be modified or changed from time to time in accordance with the terms of the Lease Agreement and Trust Agreement.

"Business Day" means any day other than a Saturday or Sunday or a day on which the Trustee is authorized by law to be closed.

"Capital Appreciation Certificates" means the Certificates so designated by the Trust Agreement, which may be either Serial Certificates or Term Certificates and which shall bear interest payable at maturity or redemption.

"Capital Outlay Millage" means the revenues received by the Board from the levy of an ad valorem tax against non-exempt assessable property within the District and available to make Lease Payments pursuant to applicable law.

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

"Certificate Register" means the books of the Trustee for registration of the ownership of the Certificates pursuant to Section 4.06 of the Trust Agreement.

"Closure Date" means, in regard to a Project, the date provided in the Lease Schedule relating thereto.

"Code" means the Internal Revenue Code of 1986, as amended, and all regulations and rules applicable thereto.

"Commencement Date" means, with respect to a Project, the date set forth in the Lease Schedule relating thereto.

"Completion Certificates" means Certificates issued for purposes of completing a Project pursuant to Section 4.12 of the Trust Agreement.

"Completion Date" shall have, in regard to a Project, the meaning ascribed thereto in Section 6.03(g) of the Trust Agreement.

"Construction Contract" means a contract entered into between the Board on behalf of the Corporation and the Contractor or Developer providing for the terms upon which the Contractor or Developer shall construct and install a Project, or portion thereof.

"Contractor" means, with respect to a Project, the Person or Persons appointed by the Board on behalf of the Corporation to act in such capacity.

"Corporation" means Hillsborough School Board Leasing Corporation, a single-purpose, not-for-profit corporation organized and existing under the laws of the State, and any successor thereto.

"Costs of Issuance" means, in regard to a Series of Certificates and Lease Schedule related thereto, all costs and expenses related to the execution, sale and delivery of such Series of Certificates and execution and delivery of such Lease Schedule, including, but not limited to, costs paid or incurred by the Board, the Corporation or the Trustee for filing costs, printing costs, reproduction and binding costs, initial fees and

charges of the Trustee, financing discounts, legal fees and charges and reimbursements, financial and other professional consultant fees and charges and reimbursements, auditors fees and charges and reimbursements, costs of rating agencies or credit ratings, fees for execution, registration, transportation and safekeeping of the Certificates, credit enhancement premiums and charges and fees in connection with the foregoing.

"Costs of Issuance Account" means the account by that name established under Section 6.02 of the Trust Agreement.

"Credit Bank" shall mean as to any particular Series of Certificates, the Person (other than an Insurer) providing a letter of credit, a line of credit or another credit or liquidity enhancement facility, as designated in the Lease Schedule relating to such Certificates.

"Credit Enhancer" means, with regard to a Series of Certificates, any Insurer or Credit Bank that provides a municipal bond insurance policy or Credit Facility, respectively, with regard to such Series of Certificates.

"Credit Facility" shall mean as to any particular Series of Certificates, a letter of credit, a line of credit or another credit or liquidity enhancement facility (other than a municipal bond insurance policy issued by an Insurer), as designated in the Lease Schedule relating to such Certificates.

"Current Interest Certificates" means Certificates so designated by the Trust Agreement and on which the interest on which is payable to the Owner thereof on the Payment Dates with respect thereto.

"Department" means the Department of Education of the State of Florida.

"Designated Equipment" means Equipment for which title is required by the Department to be in the name of the Board upon acquisition thereof and which is described as such in the Lease Schedule relating thereto. All Designated Equipment must be consented to by the Department or otherwise permitted by applicable law.

"Developer" means, with respect to a Project, the Person or Persons which shall enter into a Construction Contract with the Board to construct such Project, or portion thereof, on a "turn-key" basis.

"District" means the Hillsborough County School District, and any successor thereto.

"Engineer" means, with respect to a Project involving the construction of a Building, the professional engineer or firm of engineers appointed to perform the duties of the Engineer in accordance with Section 5.01 of the Lease Agreement. The Engineer may be an employee of the Board, the Contractor or the Developer.

"Equipment" means, in regard to a Project, the items of personal property to be financed or refinanced by disbursements from the Project Account and leased to the Board pursuant to the terms and provisions of the Lease Agreement and which are more particularly described in the Lease Schedule relating to such Project, or any substitutions therefor or additions thereto made in accordance with the provisions of the Lease Agreement. "Equipment" shall include Designated Equipment. All Equipment must be consented to by the Department or otherwise permitted by applicable law.

"Estimated Completion Date" means, with respect to a Project, the date provided in the Lease Schedule related thereto.

"Event of Default" or "Default," when referenced to the Lease Agreement, means an event of default or default under the Lease Agreement as set forth in Section 7.02 of the Lease Agreement, and, when referenced to the Trust Agreement, shall mean an event of default or default as set forth in Section 8.01 of the Trust Agreement.

"Event of Non-Appropriation" shall have the meaning ascribed thereto in Section 7.01 of the Lease Agreement.

"FEFP" means moneys received by the Board from the Florida Education Finance Program pursuant to the Act, to the extent the Department permits such moneys to be used to make Lease Payments.

"Fiscal Year" means the period commencing on July 1 of each year and continuing through the next succeeding June 30, or such other period as may be prescribed by law.

"Fitch" means Fitch Ratings, or any successor thereto.

"Ground Leases" means, the Ground Lease Agreement, dated April 1, 1994, from the Board to the Corporation, as the same may be amended from time to time and any other Ground Lease Agreement or Supplement to the Ground Lease Agreement delivered in connection with a Lease Schedule.

"Group" means, in regard to a Project, the group or groups of leased property which shall constitute a portion of such Project as described in the Lease Schedule related thereto.

"Initial Lease Term" means, in regard to a Project, the initial term of the lease of such Project from the Corporation to the Board pursuant to the terms of the Lease Agreement, which Initial Lease Term shall commence on the Commencement Date and shall end on the next succeeding June 30.

Initial Lease Termination Date" means, in regard to a Project, the last day of the Initial Lease Term.

"Insurance Consultant" means a recognized, independent insurance company or broker, selected by the Board, that has actuarial personnel experienced in the area of insurance for which the Board is to be self insured.

"Insurer" means such Person which shall be in the business of insuring or guaranteeing the payment of the principal of and interest on municipal securities.

"Interest Account" means the account by that name established under Section 6.02 of the Trust Agreement.

"Interest Component" means the portion of each Basic Rent Payment constituting interest as set forth in the Lease Schedules.

"Land" means, in regard to a Project, (1) the real property to be financed or refinanced by a disbursement from the Project Account, which shall be selected by the Board in the manner required by law, and (2) the leasehold interest of the Corporation in the Premises, if any, acquired pursuant to a Ground Lease, which, in either case, shall be leased to the Board as part of such Project pursuant to the terms of the Lease Agreement and which is more particularly described in the Lease Schedule relating thereto, to the extent identified and acquired by the Corporation on the Commencement Date.

"Lease Agreement" means the Master Lease Purchase Agreement, dated as of April 1, 1994, by and between the Corporation, as lessor, and the Board, as lessee, including all Lease Schedules, as now or hereafter amended, modified or supplemented.

"Lease Payment Fund" means the fund by that name established under Section 6.02 of the Trust Agreement.

"Lease Payments" means, collectively, the Basic Rent, the Supplemental Rent and all other amounts owing under the Lease Agreement which are payable by the Board for the lease of the Projects pursuant to the Lease Agreement.

"Lease Schedule" means the Lease Schedule, the form of which is attached to the Lease Agreement as Exhibit C, which shall authorize the lease of a Project to the Board in accordance with the terms of the Lease Agreement.

"Lease Term" means, in regard to a Project, the term of the lease of such Project, pursuant to the provisions of the Lease Agreement and Lease Schedule relating thereto, which Lease Term shall commence on the first day of the Initial Lease Term and shall be equal to the Maximum Lease Term of such Project unless the Lease Agreement is earlier terminated in accordance therewith in which case the Lease Term shall end on such date of termination.

"Letter of Instructions" means the Letter of Instructions attached to each Supplemental Trust Agreement authorizing the issuance of a Series of Certificates as required by Section 6.12 of the Trust Agreement.

"Mandatory Prepayment" means the mandatory prepayment by the Board of all or a portion of the Lease Payments pursuant to Sections 3.07 and 5.08 of the Lease Agreement.

"Mandatory Prepayment Date" means, in regard to a Series of Certificates, the date on which such Certificates shall be redeemed pursuant to the Supplemental Trust Agreement authorizing the issuance thereof.

"Maximum Cost" means, in regard to a Project, the maximum cost of such Project which shall be stated in the Lease Schedule relating thereto.

"Maximum Interest Rate" means, with respect to any particular Series of Variable Rate Certificates, a numerical rate of interest, which shall be set forth in the Supplemental Trust Agreement authorizing the issuance of such Certificates, that shall be the maximum rate of interest such Certificates may at any time bear.

"Maximum Lease Term" means, in regard to a Project, the maximum term of the lease of such Project as provided in the Lease Schedule relating thereto.

"Moody's" or "Moody's Investors Service" means Moody's Investors Service, or any successor thereto.

"Net Proceeds," when used with respect to any insurance or condemnation award, means the amount of gross proceeds from such insurance or condemnation award remaining after payment of all expenses incurred in the collection of such gross proceeds.

"Optional Prepayment Date" means the date on which the moneys deposited by the Board pursuant to the exercise of a prepayment option under Section 4.06 of the Lease Agreement shall be applied to the redemption of a Series of Certificates in accordance with the Lease Schedule and Supplemental Trust Agreement relating thereto.

"Outstanding," when used with reference to Certificates means, as of a particular date, all Certificates theretofore issued under the Trust Agreement, except:

(1) Certificates theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(2) Certificates which have been paid or provision for payment has been made in accordance with Section 12.01 of the Trust Agreement; and

(3) Certificates in exchange for or in lieu of which other Certificates have been issued.

"Overdue Rate" means a rate of interest equal to the highest rate of interest which any of the Outstanding Certificates shall bear.

"Owner" or **"Certificate Owner"** or **"Owner of Certificates"** or any similar term, when used with respect to the Certificates means any Person who shall be the registered owner of any Outstanding Certificate.

"Payment Dates" means, with respect to the interest due on the Current Interest Certificates (other than Variable Rate Certificates), January 1 and July 1 of each year and, with respect to the principal of the Current Interest Certificates, July 1 in each of the years set forth in the Supplemental Trust Agreements relating to such Series of Certificates. With respect to Capital Appreciation Certificates, the Payment Date shall be July 1 in the years of maturity set forth in the Supplemental Trust Agreements relating to such Series of Certificates. The Payment Dates for Variable Rate Certificates shall be established in the Supplemental Trust Agreement authorizing the issuance of such Certificates.

"PECO Funds" means moneys received by the Board from the Public Education Outlay and Debt Service Fund which are permitted by the Act to be used for payment of Lease Payments.

"Permitted Encumbrances" means, in regard to a Project:

(1) the Lease Agreement and any liens and encumbrances created or permitted thereby;

(2) the Assignment of Lease Agreement and any liens and encumbrances created or permitted thereby;

(3) the Trust Agreement and liens and encumbrances created or permitted thereby;

(4) any Ground Lease and Assignment of Ground Lease applicable thereto and any liens and encumbrances created or permitted thereby;

(5) subject to the provisions of Section 5.01(l) of the Lease Agreement, any mechanic's, laborer's, materialman's, supplier's or vendor's lien or right in respect thereof if payment is not yet due under the contract in question or if such lien is being contested in accordance with the provisions of the Lease Agreement;

(6) (a) rights reserved to or vested in any municipality or public authority by the terms of any right, power, franchise, grant, license, permit or provision of law; (b) any

liens for taxes, assessments, levies, fees, water and sewer rents or charges and other government and similar charges, which are not due and payable or which are not delinquent or the amount or validity of which are being contested and execution thereon is stayed; (c) easements, rights-of-way, servitudes, restrictions, oil, gas or other mineral reservations and other minor defects, encumbrances and irregularities in the title to any property which do not materially and adversely impair the use of such property or materially and adversely affect the value thereof; (d) rights reserved to or vested in any municipality or public authority to control or regulate any property or to use such property in any manner; and (e) landlord's liens;

(7) any mortgage and security interest in a Project, or portion thereof, granted by the Corporation to the Trustee for the benefit of the Owners of the Series of Certificates, the proceeds of which financed or refinanced the acquisition and construction of such Project, pursuant to Section 7.07 of the Trust Agreement; and

(8) any other liens or encumbrances permitted by the Lease Schedule relating to such Project.

"Permitted Investments," except as otherwise provided in Supplemental Trust Agreements, means:

(1) Direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury) or obligations the principal of and interest on which are unconditionally guaranteed by the full faith and credit of the United States of America.

(2) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

(i) Farmers Home Administration ("FmHA"): Certificates of beneficial ownership.

(ii) Federal Housing Administration ("FHA"): Debentures.

(iii) General Services Administration: Participation Certificates.

(iv) Government National Mortgage Association ("GNMA" or "Ginnie Mae"): GNMA - guaranteed mortgage backed bonds; GNMA - guaranteed pass-through obligations (participation certificates).

(v) U.S. Maritime Administration: Guaranteed Title XI financing.

(vi) U.S. Department of Housing and Urban Development ("HUD"): Local Authority Bonds; Project Notes.

(3) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following (non-full faith and credit) U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself):

(i) Federal Home Loan Bank System: Senior debt obligations.

(ii) Federal Home Loan Mortgage Corporation ("FHLMC" or "Freddie Mac"): Participation Certificates; Senior debt obligations.

(iii) Federal National Mortgage Association ("FNMA" or "Fannie Mae"): Mortgage-backed securities and senior debt obligations (excluded are stripped mortgage securities which are valued greater than par on the portion of unpaid principal).

(iv) Student Loan Marketing Association ("SLMA" or "Sallie Mae"): Senior debt obligations.

(v) Resolution Funding Corp. (REFCORP): Only the interest component of REFCORP strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form are acceptable.

(vi) Farm Credit System: Consolidated systemwide bonds and notes.

(4) Money Market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by Standard & Poor's Ratings Group ("S&P") of AAAm-G;

(5) Certificates of deposit secured at all times by collateral described in (1) and or (2) above. Certificates of deposit must have a one year or less maturity. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks whose short term obligations are rated "A-1+" or better by S&P. The collateral must be held by a third party and the Trustee must have a perfected first security interest in the collateral.

(6) Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by the Federal Deposit Insurance Corporation, including the Bank Insurance Fund and the Savings Association Insurance Fund.

(7) Investment agreements, including guaranteed investment contracts ("GIC's"), acceptable to the Credit Facility Issuer.

(8) Commercial paper rated "Prime-1" by Moody's Investors Service Inc. ("Moody's") and "A-1+" or better by S&P.

(9) Bonds or notes issued by any state or municipality which are rated by Moody's and S&P in one of the two highest long-term rating categories assigned by such agencies.

(10) Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "Prime-1" or "A3" or better by Moody's and "A-1+" by S&P.

(11) Repurchase agreements ("Repos") providing for the transfer of securities from a dealer bank or securities firm (seller/borrower) to the School Board or Trustee (buyer/lender), and the transfer of cash from the School board or Trustee to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the School Board or Trustee in exchange for the securities at a specified date.

Repos must satisfy the following criteria:

(a) Repos must be between the School Board or Trustee and a dealer bank or securities firm satisfying the following criteria: (a) Primary dealers on the Federal Reserve reporting dealer list which fall under the jurisdiction of the Securities Investor Protection Corporation ("SIPC") and which are rated "A" or better by S&P and Moody's, or (b) banks rated "A" or better by S&P and Moody's.

(b) The written Repo contract must include the following:

(i) Securities which are acceptable for transfer are:

(a) Obligations described in paragraph (i) above.

(b) Obligations described in paragraph (ii) above, and obligations issued or guaranteed by FNMA or FHLMC.

(ii) The term of the Repo may be up to 30 days.

(iii) The collateral must be delivered to the Trustee (if the Trustee is not supplying the collateral) or a third party acting as agent for the Trustee (if the Trustee is supplying the collateral) before/simultaneous with payment (perfection by possession of certificated securities).

(iv) The Trustee has perfected first priority security interest in the collateral.

(v) The collateral is free and clear of third party liens and in the case of SIPC brokers was not acquired pursuant to a Repo or reverse Repo.

(vi) Failure to maintain the requisite collateral percentage, after a two day restoration period, will require the Trustee to liquidate the collateral.

(vii) Valuation of collateral.

(a) The securities must be valued by the dealer bank or securities firm, as applicable, weekly, marked-to-market at current market price plus accrued interest.

(b) The value of collateral must be equal to 104% of the amount of cash transferred by the School Board or Trustee to the dealer bank or security firm under the Repo plus accrued interest. If the value of securities held as collateral slips below 104% of the value of the cash transferred by the School Board or Trustee, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA or FHLMC, then the value of collateral must equal 105%.

(c) A legal opinion which must be delivered to the School Board and Trustee stating that the Repo meets guidelines under state law for legal investment of public funds.

(12) Pre-funded municipal bonds rated "Aaa" by Moody's and "AAA" by S&P. If, however, the issue is only rated by S&P (i.e., there is no Moody's rating), then the pre-refunded municipal bonds must have been pre-refunded with cash, Investment Securities referred to in paragraph (i) above, or AAA rated pre-refunded municipals to satisfy this condition.

(13) Units of participation in the Local Government Surplus Funds Trust Fund established pursuant to Part IV, Section 218, Florida Statutes, or any similar common trust fund which is established pursuant to State law as a legal depository of public funds.

(14) Other forms of investments approved in writing by the Credit Enhancers, Standard & Poor's Corporation and Moody's Investors Service.

"Person" means an individual, corporation, partnership, association, joint stock company, trust, unincorporated organization, government or political subdivision.

"Plans and Specifications" means, in regard to a Project, the Board's plans and specifications for such Project, on file or to be on file with the Board, as the same may be amended from time to time in accordance with the Lease Agreement.

"Pledged Accounts" means, in regard to each Series of Certificates, the separate account, if any, established in the Prepayment Fund, and separate subaccounts, if any, established in the Project Account, Costs of Issuance Account, Capitalized Interest Account, the Reserve Account, the Principal Account and the Interest Account at the time such Series shall be issued.

"Premises" means, in regard to a Project, the parcels of real property leased by the Board to the Corporation pursuant to the Ground Lease, which real property shall be described in an exhibit to the Ground Lease.

"Prepayment Amount" means, in regard to a Project, the amount set forth in the Lease Schedule relating thereto.

"Prepayment Fund" means the fund by that name established under Section 6.02 of the Trust Agreement.

"Prepayment Premium" means the amount of prepayment premium, if any, due on any Optional Prepayment Date. The amount of such prepayment premium shall be calculated in accordance with the Trust Agreement.

"Prepayment Price" means, with respect to any Certificate or portion thereof, the principal amount or portion thereof, plus the applicable Prepayment Premium, if any, payable upon prepayment thereof pursuant to such Certificate or the Trust Agreement.

"Prerefunded Obligations" means any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and (1) which are rated, based on the escrow, in the highest rating category of S&P and Moody's; and (2)(a) which are fully secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or obligations described in paragraph (1) of the definition of "Permitted Investments", which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the date or dates pursuant to such irrevocable instructions, as appropriate, and (b) which fund is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to above, as appropriate.

"Principal Account" means the account by that name established under Section 6.02 of the Trust Agreement.

"Principal Component" means the portion of each Basic Rent Payment constituting principal as set forth in the Lease Schedules.

"Principal and Interest Requirements" means the respective amounts which are required in each Fiscal Year to provide for:

(1) the interest payable on all Certificates then Outstanding, which is payable on each interest Payment Date in such Fiscal Year,

(2) the principal on all Serial Certificates then Outstanding, which is payable upon the maturity of the Serial Certificates in such Fiscal Year, and

(3) the Amortization Installment for all Term Certificates then Outstanding, which is payable for such Fiscal Year.

In determining the amount of the Principal and Interest Requirements for any Fiscal Year, if interest on the Certificates is payable from the proceeds of such Certificates or from other amounts set aside irrevocably for such purpose at the time such Certificates are issued, interest on such Certificates shall be included in Principal and Interest Requirements only in proportion to the amount of interest payable in the then current Fiscal Year from amounts other than amounts so funded to pay such interest. For purposes of this definition, all amounts payable on a Capital Appreciation Certificate shall be considered a principal payment due in the year of its maturity or earlier mandatory redemption.

"Principal Office" means the designated corporate trust office of the Trustee which shall initially be in Jacksonville, Florida, or the designated corporate trust office of any successor Trustee.

"Project" shall mean the Land, the Buildings, and/or the Equipment, as described in the Lease Schedule relating thereto, as the same may be amended or modified from time to time in accordance with the terms of the Lease Agreement.

"Project Account" means the account by that name established under Section 6.02 of the Trust Agreement.

"Project Budget" means, in regard to a Project, the budget for expenditure of moneys in the subaccount in the Project Account established for such Project as set forth in the Lease Schedule relating thereto.

"Project Costs" or "Costs of the Project" means, in regard to a Project, all costs of payment of, or reimbursement for, acquisition, construction and installation of such Project, including but not limited to, architectural and engineering costs and costs of feasibility, environmental and other reports, inspection costs, permit fees, filing and recording costs and sales and use taxes and the cost of title insurance, and, in addition,

Costs of Issuance to the extent that the amounts on deposit in the Costs of Issuance Account are insufficient to pay all Costs of Issuance in full. Project Costs shall specifically include any portion of the total costs of such Project or any portion thereof paid by the Board from funds other than proceeds of the Certificates prior to the Closing Date for which the Board seeks reimbursement by filing a Requisition with the Trustee in the manner required by Section 6.03 of the Trust Agreement.

"Project Description" means, in regard to a Project, the description of such Project as set forth in the Lease Schedule relating thereto.

"Project Fund" means the fund by that name established under Section 6.02 of the Trust Agreement.

"Project Schedule" means, in regard to a Project, the timetable for disbursements from the subaccount of the Project Account established therefor for acquisition, construction, delivery and installation of the components of such Project as set forth in the Lease Schedule relating thereto.

"Purchasers" means the original purchasers of a Series of Certificates.

"Qualified Financial Institution" means (1) a bank, a trust company, a national banking association, a corporation subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or any successor provisions of law, a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, a savings bank, a savings and loan association, or an insurance company or association chartered or organized under the laws of any state of the United States of America; or (2) the Government National Mortgage Foundation or any successor thereto or the Federal National Mortgage Foundation or any successor thereto; provided that, for each such entity delineated in clauses (1) and (2), its unsecured or uncollateralized long-term debt obligations, or obligations secured or supported by a letter of credit, contract, agreement or surety bond issued by any such entity, have been assigned a credit rating by Moody's of "Aa" or better or by S&P of "AA" or better.

"Real Estate Taxes" shall mean all real estate taxes, public and governmental charges and assessments, including all extraordinary or special assessments, or assessments against any of the personal property included in the Projects, all costs, expenses and attorneys' fees incurred by Lessor in contesting or negotiating with public authorities as to any of same and all sewer and other similar taxes and charges.

"Rebate Fund" means the fund by that name established under Section 6.02 of the Trust Agreement.

"Record Date" means the 15th day of the month preceding any Payment Date (whether or not a Business Day).

"Refunding Certificates" means Certificates issued for purposes of refunding Outstanding Certificates pursuant to Section 4.13 of the Trust Agreement.

"Refunding Securities," except as otherwise provided by Supplemental Trust Agreement, means the United States Obligations and the Prerefunded Obligations.

"Renewal Lease Term" means, in regard to a Project, the period commencing on the day after the last day of the Initial Lease Term and ending on the following June 30. Thereafter, "Renewal Lease Term" shall refer to each succeeding one (1) year term commencing on the day after the last day of the previous Renewal Lease Term and ending on the following June 30.

"Renewal Term Termination Date" means, in regard to a Project, the termination date for the then current Renewal Lease Term which shall be the last day of such Renewal Lease Term.

"Request and Authorization" means a request and authorization from the Corporation and the Board to the Trustee to authenticate and deliver Certificates in accordance with the terms thereof and of the related Supplemental Trust Agreement, and substantially in the form attached to the Trust Agreement as Exhibit C.

"Requisition" means a requisition of the Board to receive amounts from the Project Fund to pay Project Costs or Costs of Issuance in the form attached to the Lease Agreement as Exhibit B.

"Reserve Account" means the account by that name established under Section 6.02 of the Trust Agreement.

"Reserve Account Letter of Credit/Insurance Policy" means the irrevocable letter or line of credit, insurance policy, surety bond or guarantee agreement issued by a Qualified Financial Institution in favor of the Trustee which is to be deposited into a subaccount of the Reserve Account in order to fulfill the Reserve Requirement relating thereto.

"Reserve Requirement" means, in regard to a subaccount established in the Reserve Account to secure a Series of Certificates, such amounts, if any, as shall be provided in the Supplemental Trust Agreement authorizing the issuance of such Series and in the Lease Schedule relating thereto, provided such Requirement not exceed the lesser of (1) the maximum Principal and Interest Requirements on account of the Outstanding Certificates of the Series secured by such subaccount in the current or any subsequent Fiscal Year, (2) one hundred twenty-five percent (125%) of the average annual Principal and Interest Requirements on account of the Outstanding Certificates of

the Series secured by such subaccount in the current or any subsequent Fiscal Years, and (3) ten percent (10%) of the proceeds of such Series of Certificates.

"S&P" or "Standard & Poor's Corporation" means Standard & Poor's Ratings Group, a division of The McGraw-Hill Companies, Inc., or any successor thereto.

"Serial Certificates" means the Certificates designated as Serial Certificates pursuant to the Trust Agreement.

"Series" means all the Certificates delivered on original issuance in a simultaneous transaction and identified pursuant to Section 4.01 of the Trust Agreement and the Supplemental Trust Agreement authorizing the issuance of such Certificates as a separate Series, regardless of variations in maturity, interest rate and other terms.

"Special Counsel" shall mean Nabors, Giblin & Nickerson, P.A., Tampa, Florida, or any other attorney at law or firm of attorneys, of nationally recognized standing in matters pertaining to the exemption of the interest on obligations issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States of America.

"State" means the State of Florida.

"Stipulated Loss Value" means an amount calculated in accordance with Section 5.08 of the Lease Agreement.

"Superintendent" means the Superintendent of the District, or such Person as shall be authorized to act on his or her behalf.

"Supplemental Rent" shall have the meaning set forth in Section 4.03(e) of the Lease Agreement.

"Supplemental Trust Agreement" means any supplement to or amendment to the Trust Agreement entered into in accordance with Article XI of the Trust Agreement.

"Taxable Certificates" means Certificates for which the Interest Component of the Basic Rent Payments relating thereto shall be includable in gross income for purposes of federal income taxation.

"Term Certificates" means those Certificates designated as Term Certificates pursuant to the Supplemental Trust Agreement authorizing the issuance thereof which are subject to mandatory redemption by Amortization Installments.

"Termination Date" means the date on which the Lease Agreement terminates pursuant to the terms thereof.

"Trust Agreement" means the Master Trust Agreement, dated as of April 1, 1994, between the Corporation and the Trustee, as now and hereafter amended, modified or supplemented by Supplemental Trust Agreements.

"Trust Estate" means all right, title and interest of the Trustee in and to the property and interests therein described in Section 3.03 of the Trust Agreement.

"Trustee" means The Bank of New York Mellon Trust Company, N.A. (successor to NationsBank of Florida, N.A.), New York, New York, or its successor in interest as the Trustee under the Trust Agreement.

"United States Obligations" means the obligations and securities described in paragraph (1) of the definition of "Permitted Investments."

"Variable Rate Certificates" means Certificates issued with a variable, adjustable, convertible or other similar rate which is not fixed in percentage for the entire term thereto at the date of issue.

"Vendor" means, with respect to a Project, the Person or Persons appointed by the Board to sell Equipment relating to such Project.

APPENDIX D
FORM OF MASTER TRUST AGREEMENT AND SERIES 2010A
SUPPLEMENTAL TRUST AGREEMENT

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MASTER TRUST AGREEMENT

by and among

**NATIONSBANK OF FLORIDA, N.A.,
as Trustee**

and

**HILLSBOROUGH SCHOOL BOARD LEASING CORPORATION,
as Lessor**

and

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

Dated as of April 1, 1994

Securing

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

TABLE OF CONTENTS

Page

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

SECTION 1.01.	DEFINITIONS.	3
SECTION 1.02.	RULES OF CONSTRUCTION.	3

ARTICLE II

RECITALS AND REPRESENTATIONS

SECTION 2.01.	LEASE AGREEMENT.	4
SECTION 2.02.	ASSIGNMENT OF LEASE AGREEMENT AND LEASE SCHEDULES.	4
SECTION 2.03.	REPRESENTATIONS.	4
SECTION 2.04.	DESCRIPTION AND ESTIMATED COST OF THE PROJECT.	4
SECTION 2.05.	CONDITIONS PRECEDENT SATISFIED.	4

ARTICLE III

APPOINTMENT OF TRUSTEE; DECLARATION OF TRUST

SECTION 3.01.	APPOINTMENT OF TRUSTEE.	5
SECTION 3.02.	DECLARATIONS OF TRUST.	5
SECTION 3.03.	TRUST ESTATE.	5
SECTION 3.04.	TRUST ESTATE FOR BENEFIT OF CERTIFICATE OWNERS.	6

ARTICLE IV

ISSUANCE OF CERTIFICATES

SECTION 4.01.	AUTHORIZATION OF CERTIFICATES.	7
SECTION 4.02.	DELIVERY OF CERTIFICATES.	9
SECTION 4.03.	EXECUTION OF CERTIFICATES.	12
SECTION 4.04.	AUTHENTICATION OF CERTIFICATES.	12
SECTION 4.05.	EXCHANGE OF CERTIFICATES.	12
SECTION 4.06.	NEGOTIABILITY, REGISTRATION AND TRANSFER OF CERTIFICATES.	13
SECTION 4.07.	OWNERSHIP OF CERTIFICATES.	13
SECTION 4.08.	MUTILATED, DESTROYED, STOLEN OR LOST CERTIFICATES.	14
SECTION 4.09.	TEMPORARY CERTIFICATES.	14
SECTION 4.10.	EVIDENCE OF SIGNATURES OF CERTIFICATE OWNERS AND OWNERSHIP OF CERTIFICATES.	15

i

SECTION 7.06.	DIRECTORS, MEMBERS, OFFICERS AND EMPLOYEES OF TRUSTEE, CORPORATION AND BOARD EXEMPT FROM PERSONAL LIABILITY.	41
SECTION 7.07.	CORPORATION OBLIGATIONS FOR PROJECTS.	41

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

SECTION 8.01.	EVENTS OF DEFAULT.	43
SECTION 8.02.	ACCELERATION OF MATURITIES.	43
SECTION 8.03.	ENFORCEMENT OF REMEDIES.	44
SECTION 8.04.	PRO-RATA APPLICATION OF FUNDS.	45
SECTION 8.05.	EFFECT OF DISCONTINUANCE OF PROCEEDINGS.	48
SECTION 8.06.	CONTROL OF PROCEEDINGS BY OWNERS.	48
SECTION 8.07.	RESTRICTIONS UPON ACTIONS BY INDIVIDUAL OWNERS.	48
SECTION 8.08.	APPOINTMENT OF A RECEIVER.	49
SECTION 8.09.	ENFORCEMENT OF RIGHTS OF ACTION.	49
SECTION 8.10.	NO REMEDY EXCLUSIVE.	49
SECTION 8.11.	WAIVERS.	49
SECTION 8.12.	NOTICE OF DEFAULT.	50
SECTION 8.13.	RIGHT TO ENFORCE PAYMENT OF CERTIFICATES UNIMPAIRED.	50
SECTION 8.14.	CONTROL BY INSURER OR CREDIT BANK.	50

ARTICLE IX

CONCERNING THE TRUSTEE

SECTION 9.01.	ACCEPTANCE OF DUTIES.	52
SECTION 9.02.	INDEMNIFICATION OF TRUSTEE AS CONDITION FOR REMEDIAL ACTION.	53
SECTION 9.03.	LIMITATIONS ON OBLIGATIONS AND RESPONSIBILITIES OF TRUSTEE.	54
SECTION 9.04.	TRUSTEE NOT LIABLE FOR FAILURE OF CORPORATION OR BOARD TO ACT.	54
SECTION 9.05.	COMPENSATION AND INDEMNIFICATION OF TRUSTEE.	54
SECTION 9.06.	MONTHLY STATEMENTS FROM TRUSTEE.	55
SECTION 9.07.	TRUSTEE MAY RELY ON CERTIFICATES.	55
SECTION 9.08.	TRUSTEE MAY PAY TAXES AND ASSESSMENTS.	56
SECTION 9.09.	CERTAIN RIGHTS OF THE TRUSTEE.	56
SECTION 9.10.	RESIGNATION AND REMOVAL OF TRUSTEE SUBJECT TO APPOINTMENT OF SUCCESSOR.	56
SECTION 9.11.	RESIGNATION OF TRUSTEE.	56
SECTION 9.12.	REMOVAL OF TRUSTEE.	57
SECTION 9.13.	APPOINTMENT OF SUCCESSOR TRUSTEE.	57
SECTION 9.14.	VESTING OF DUTIES IN SUCCESSOR TRUSTEE.	58

iii

SECTION 4.11.	DEPOSITORY TRUST COMPANY AND BOOK ENTRY OBLIGATIONS.	16
SECTION 4.12.	COMPLETION CERTIFICATES.	16
SECTION 4.13.	REFUNDING CERTIFICATES.	19
SECTION 4.14.	PAYMENTS FROM TRUST ESTATE ONLY; DISTRIBUTION OF TRUST ESTATE.	23

ARTICLE V

PREPAYMENT

SECTION 5.01.	PREPAYMENT.	25
SECTION 5.02.	SELECTION OF CERTIFICATES TO BE PREPAID.	25
SECTION 5.03.	NOTICE OF PREPAYMENT.	25
SECTION 5.04.	DEPOSIT OF PREPAYMENT AMOUNT; EFFECT OF CALLING FOR PREPAYMENT.	26
SECTION 5.05.	PREPAYMENT OF A PORTION OF CERTIFICATES.	27
SECTION 5.06.	CANCELLATION.	27

ARTICLE VI

ESTABLISHMENT AND ADMINISTRATION OF FUNDS AND ACCOUNTS

SECTION 6.01.	APPLICATION OF CERTIFICATE PROCEEDS.	28
SECTION 6.02.	CREATION OF FUNDS AND ACCOUNTS.	28
SECTION 6.03.	PROJECT ACCOUNT.	29
SECTION 6.04.	COSTS OF ISSUANCE ACCOUNT.	33
SECTION 6.05.	CAPITALIZED INTEREST ACCOUNT.	33
SECTION 6.06.	DISPOSITION OF LEASE PAYMENTS.	34
SECTION 6.07.	RESERVE ACCOUNT.	35
SECTION 6.08.	PREPAYMENT FUND.	36
SECTION 6.09.	NO UNAUTHORIZED TRANSFERS.	37
SECTION 6.10.	DEPOSIT AND INVESTMENT OF MONEYS IN ACCOUNTS.	37
SECTION 6.11.	CREDIT AGAINST LEASE PAYMENTS.	38
SECTION 6.12.	APPLICATION OF MONEY IN THE REBATE FUND.	39

ARTICLE VII

GENERAL COVENANTS AND REPRESENTATIONS

SECTION 7.01.	BOARD TO PERFORM AGREEMENTS.	40
SECTION 7.02.	CORPORATION TO PERFORM AGREEMENTS.	40
SECTION 7.03.	NO OBLIGATION WITH RESPECT TO PERFORMANCE BY TRUSTEE.	40
SECTION 7.04.	NO LIABILITY TO OWNERS FOR PAYMENT.	40
SECTION 7.05.	COVENANT NOT TO IMPAIR TAX STATUS OF CERTIFICATES.	40

ii

ARTICLE X

EXECUTION OF INSTRUMENTS BY OWNERS, PROOF OF OWNERSHIP OF CERTIFICATES, AND DETERMINATION OF CONCURRENCE OF OWNERS

SECTION 10.01.	EXECUTION OF INSTRUMENTS BY OWNERS.	60
----------------	---	----

ARTICLE XI

SUPPLEMENTAL TRUST AGREEMENTS

SECTION 11.01.	SUPPLEMENTAL TRUST AGREEMENTS WITHOUT CONSENT OF OWNERS AND CREDIT ENHANCERS.	61
SECTION 11.02.	MODIFICATION OF TRUST AGREEMENT WITH CONSENT OF OWNERS AND CREDIT ENHANCERS.	62
SECTION 11.03.	MODIFICATION OF TRUST AGREEMENT WITH CONSENT OF CREDIT ENHANCERS ONLY.	64
SECTION 11.04.	RESPONSIBILITIES OF TRUSTEE, BOARD AND CORPORATION UNDER THIS ARTICLE.	64
SECTION 11.05.	CONSENT OF BOARD NOT REQUIRED.	64
SECTION 11.06.	NOTICE OF SUPPLEMENTAL TRUST AGREEMENT.	64

ARTICLE XII

DEFEASANCE

SECTION 12.01.	DEFEASANCE.	66
----------------	---------------------	----

ARTICLE XIII

MISCELLANEOUS PROVISIONS

SECTION 13.01.	EFFECT OF DISSOLUTION OF CORPORATION.	69
SECTION 13.02.	NOTICES.	69
SECTION 13.03.	CAPITAL APPRECIATION CERTIFICATES.	70
SECTION 13.04.	SUBSTITUTE MAILING.	70
SECTION 13.05.	PARTIES AND OWNERS ALONE HAVE RIGHTS UNDER TRUST AGREEMENT.	70
SECTION 13.06.	EFFECT OF PARTIAL INVALIDITY.	70
SECTION 13.07.	NO RECOURSE AGAINST MEMBERS, OFFICERS OR EMPLOYEES OF CORPORATION OR THE BOARD.	71
SECTION 13.08.	EXPENSES PAYABLE UNDER TRUST AGREEMENT.	71
SECTION 13.09.	DEALING IN CERTIFICATES.	71
SECTION 13.10.	MULTIPLE COUNTERPARTS.	72
SECTION 13.11.	HEADINGS.	72
SECTION 13.12.	LAWS.	72

iv

EXHIBIT A	DEFINITIONS.	A-1
EXHIBIT B	FORM OF CERTIFICATE OF PARTICIPATION.	B-1
EXHIBIT C	FORM OF REQUEST AND AUTHORIZATION	C-1

MASTER TRUST AGREEMENT

THIS MASTER TRUST AGREEMENT, is made and entered into as of April 1, 1994, by and among NATIONSBANK OF FLORIDA, N.A., a national banking association with corporate trust powers qualified to accept trusts of the type herein set forth (the "Trustee"), HILLSBOROUGH SCHOOL BOARD LEASING CORPORATION, a single-purpose, not-for-profit corporation duly organized and existing under Chapter 617, Florida Statutes (the "Corporation"), and the SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA, a school board duly organized and existing under the laws of the State of Florida (the "Board"), acting as the governing body of the Hillsborough County School District (the "District").

WITNESSETH:

WHEREAS, the Board deems it in the best interests of the District to lease-purchase certain real and/or personal property from time to time by entering into a master lease-purchase agreement, dated as of April 1, 1994 (the "Lease Agreement"), between the Corporation, as lessor, and the Board, as lessee; and

WHEREAS, pursuant to the Lease Agreement, the Board may from time to time, by execution of a lease schedule to the Lease Agreement (a "Lease Schedule"), direct the Corporation to acquire 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, the relationship between the Corporation and the Board under the Lease Agreement is to be a continuing one and Projects may be added to the Lease Agreement from time to time in accordance with the terms thereof and of the Lease Schedules describing such 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 Certificates of Participation issued hereunder and under the Supplemental Trust Agreement related to each Series of such Certificates of Participation (the "Certificates"), which shall be secured by and be payable from the right of the Corporation to receive Basic Rent Payments (as defined herein) to be made by the Board pursuant to the Lease Agreement and related Lease Schedule; and

WHEREAS, the Trustee has agreed to deliver a Series of Certificates pursuant to and upon receipt of a Request and Authorization from the Corporation and the Board; and

WHEREAS, as of the date hereof, the Corporation will assign to the Trustee, by outright assignment, all of its right, title and

v

interest in and to the Lease Agreement and the Lease Payments (as defined herein), other than its rights of indemnification, its right to enter into Lease Schedules (as defined herein) from time to time and its obligations provided in Section 6.03 of the Lease Agreement, pursuant to an Assignment of Lease Agreement, dated as of April 1, 1994, between the Corporation and the Trustee; and

WHEREAS, the Board and the Corporation will enter into a Ground Lease, dated as of April 1, 1994 (the "Ground Lease"); whereby the Board has or will demise the Premises (as defined herein) to the Corporation in accordance with the terms thereof; and

WHEREAS, on the date hereof, the Corporation will assign to the Trustee all of its right, title and interest in and to the estate created and granted under the Ground Lease, pursuant to an Assignment of Ground Lease Agreement, dated as of April 1, 1994, between the Corporation and the Trustee; and

WHEREAS, the proceeds of the sale of each Series of Certificates will be deposited with the Trustee and such funds shall be held and disbursed pursuant to the terms of this Trust Agreement in order to, among other things, fund the acquisition, construction and installation of a Project or to refund other Certificates; and

WHEREAS, the Board may provide that a Credit Enhancer (as defined herein) may issue a letter of credit, insurance policy, guarantee or other instrument to secure the payment of the principal of and interest on a Series of Certificates; and

WHEREAS, each Series of Certificates shall be secured independently from each other Series of Certificates in accordance with the provisions hereof;

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

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

SECTION 1.01. DEFINITIONS. The capitalized terms used herein shall have the meanings, for the purpose of this Trust Agreement, ascribed to them in Exhibit A attached hereto unless the context clearly requires some other meaning. The term "Agreement" or "Trust Agreement" as used herein shall mean this Trust Agreement unless the context clearly requires some other meaning.

SECTION 1.02. RULES OF CONSTRUCTION. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context otherwise indicates, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include corporations and associations, including public bodies, as well as natural persons.

The terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms, as used in this Trust Agreement, refer to this Trust Agreement.

ARTICLE II

RECITALS AND REPRESENTATIONS

SECTION 2.01. LEASE AGREEMENT. The Corporation and the Board have entered into the Lease Agreement, and intend to enter into Lease Schedules from time to time, whereby the Corporation has agreed to lease the Projects from time to time to the Board and the Board has agreed to lease the Projects from time to time from the Corporation and to make Lease Payments therefor in accordance with the terms thereof.

SECTION 2.02. ASSIGNMENT OF LEASE AGREEMENT AND LEASE SCHEDULES. The Corporation has assigned and transferred to the Trustee by outright and absolute assignment all its rights, title and interest under (A) the Lease Agreement, other than (i) its rights of indemnification thereunder, (ii) its right to enter into Lease Schedules from time to time, and (iii) its obligations under Section 6.03 of the Lease Agreement and (B) the Ground Lease(s) pursuant to the terms and provisions hereof and of the Assignment of Ground Lease Agreement, and, in consideration of such assignment and the execution of this Trust Agreement, the Trustee has agreed herein to authenticate and deliver Series of Certificates from time to time hereunder.

SECTION 2.03. REPRESENTATIONS. In the Lease Agreement, the Corporation has agreed to cause the acquisition, construction and installation of each Project pursuant to the Plans and Specifications relating thereto as provided in the corresponding Lease Schedule, and the Board, as the agent of the Corporation, will be responsible for the letting of contracts and agreements for the acquisition, construction and installation of each such Project and for supervising the acquisition, construction and installation of each such Project.

SECTION 2.04. DESCRIPTION AND ESTIMATED COST OF THE PROJECT. The description of each Project to be acquired, constructed and leased by the Board from the Corporation pursuant to the terms and provisions of the Lease Agreement and the estimated cost of such Project shall be as set forth in the Lease Schedule relating thereto.

SECTION 2.05. CONDITIONS PRECEDENT SATISFIED. Each party hereto represents with respect to itself that all acts, conditions and things required by law to exist, happen and be performed precedent to and in connection with the execution and delivery of this Trust Agreement have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto each represents as to itself that it is now duly empowered to execute and deliver this Trust Agreement.

4

time and its obligations provided in Section 6.03 of the Lease Agreement;

(c) All right, title and interest of the Trustee under the Assignment of Lease Agreement and Assignment of Ground Lease Agreement(s);

(d) Any moneys received by the Trustee which are derived from the exercise by the Trustee, as assignee of the Corporation, of any of the remedies under this Trust Agreement, the Lease Agreement, the Ground Lease(s) or any mortgage agreement entered into pursuant to the terms hereof; and

(e) All property which by the express provisions of this Trust Agreement, the Lease Agreement or the Ground Lease(s) is required to be subject to the lien hereof, and any additional property that may from time to time hereafter expressly be made subject to the lien hereof by the Trustee, the Corporation or the Board or anyone authorized to act on their behalf;

PROVIDED, HOWEVER, that in each case any portion of the Trust Estate which is derived from the sale, re-letting or other disposition of a Project, moneys and damages received in relation to such Project and any cash, securities and investments in any Pledged Accounts relating to such Project shall be utilized solely for the benefit of the Owners of Certificates which financed or refinanced such Project and for whose benefit such Pledged Accounts were established.

SECTION 3.04. TRUST ESTATE FOR BENEFIT OF CERTIFICATE OWNERS. (a) Subject only to the provisions of this Trust Agreement permitting the application thereof for the purposes and on the terms and conditions set forth herein, the Corporation and the Board hereby declare, and the Trustee acknowledges, that the Trust Estate shall secure the payment of the principal of, Prepayment Premium, if any, and interest on the Outstanding Certificates, which represent an undivided proportionate interest in the Basic Rent Payments under the Lease Agreement.

(b) The Trustee shall be entitled to and shall, subject to the provisions of Article IX hereof and after being provided with indemnity acceptable to it, take all steps, actions and proceedings reasonably necessary, in its judgment, to enforce all of the rights of the Corporation in and under the Lease Agreement and the Ground Lease(s) for the benefit of the Owners of the Certificates.

(c) If the Certificates shall be paid, or provision for payment shall be made, and all other payments due hereunder shall be made as provided in Article XII hereunder, the Trust Estate shall terminate and the Owners of the Certificates shall have no right thereto, except as otherwise provided herein.

6

ARTICLE III

APPOINTMENT OF TRUSTEE; DECLARATION OF TRUST

SECTION 3.01. APPOINTMENT OF TRUSTEE. In consideration of the recitals hereinabove set forth and for other valuable consideration, the Corporation and the Board hereby appoint the Trustee to receive, hold, invest and disburse the Trust Estate and to perform certain other functions, all as hereinafter provided and subject to the terms and conditions of this Trust Agreement.

SECTION 3.02. DECLARATIONS OF TRUST. (a) The Corporation, the Board and the Trustee hereby create this trust for the purpose of facilitating the lease purchase financing of the Projects and the Trustee agrees to (i) accept the assignment and transfer of the rights of the Corporation in and to the Lease Agreement (other than the right of the Corporation to be indemnified by the Board upon the occurrence of various events described therein, its right to enter into Lease Schedules from time to time and its obligations under Section 6.03 of the Lease Agreement) pursuant to the terms and provisions hereof and of the Assignment of Lease Agreement, (ii) accept the assignment and transfer of the rights of the Corporation pursuant to the terms and provisions of the Assignment(s) of Ground Lease Agreement, (iii) execute, authenticate and deliver the Certificates from time to time against receipt of the proceeds from the sale thereof, deposit such proceeds hereunder and disburse same, together with earnings thereon, in accordance with the terms and provisions hereof and of the Supplemental Trust Agreement(s) related thereto, and (iv) subject to the provisions of Article IX hereof, do all other things necessary or incidental to the terms hereof.

(b) The Trustee hereby declares that it holds and will hold the Trust Estate upon the trusts and apply the moneys held hereunder as hereinafter set forth for the use and benefit of the Owners of the Certificates as set forth herein.

SECTION 3.03. TRUST ESTATE. The Trust Estate, which shall be held for the benefit of the Owners of the Certificates from time to time outstanding hereunder, consists of the following:

(a) All right, title and interest in the funds, accounts and subaccounts established under this Trust Agreement and the cash, securities and investments of which they are comprised (other than the Rebate Fund);

(b) All right, title and interest of the Corporation in, to and under the Ground Lease(s) and the Lease Agreement and the right to receive the Lease Payments under the Lease Agreement but excluding any rights of the Corporation to indemnification set forth therein, its right to enter into Lease Schedules from time to

5

ARTICLE IV

ISSUANCE OF CERTIFICATES

SECTION 4.01. AUTHORIZATION OF CERTIFICATES. (a) The number of Series of Certificates which may be created under this Trust Agreement is not limited. The aggregate principal amount of Certificates of each Series which may be issued, authenticated and delivered under this Trust Agreement is not limited except as set forth in the related Request and Authorization and Supplemental Trust Agreement and as restricted by the provisions of this Trust Agreement.

(b) The Certificates issuable under this Trust Agreement shall be issued in such Series as may from time to time be created in connection with a Lease Schedule. Each Series of Certificates shall be designated "Certificates of Participation (School Board of Hillsborough County, Florida Master Lease Program), Series _____ Evidencing an Undivided Proportionate Interest of Owners thereof in Basic Rent Payments to be made under a Master Lease-Purchase Agreement by the School Board of Hillsborough County, Florida." The Certificates may, if and when authorized by this Trust Agreement, be designated with such further appropriate particular designations added to or incorporated in such title for the Certificates of any particular Series as the Board may determine and as may be necessary to distinguish such Certificates from the Certificates of any other Series.

(c) Each Series of Certificates shall be issued for the purposes of (a) funding the Costs of a Project, or completing a Project as provided in Section 4.12 hereof, (b) funding a subaccount established in the Reserve Account in an amount equal to the Reserve Requirement applicable thereto, (c) capitalizing interest on such Series of Certificates, and/or (d) paying the Costs of Issuance applicable thereto. Refunding Certificates may also be issued pursuant to Section 4.13 hereof.

(d) Each Series of Certificates, other than Variable Rate Certificates and Capital Appreciation Certificates, shall be substantially in the form set forth in Exhibit B hereto, with such appropriate variations, omissions and insertions as may be necessary or appropriate to conform to the provisions of this Trust Agreement, including any use of a book-entry only system as described in Section 4.11 hereof. The form of Variable Rate Certificates and Capital Appreciation Certificates shall be provided in the Supplemental Trust Agreement authorizing the issuance of such Certificates. All Certificates may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or of any securities exchange on which the Certificates

7

may be listed or any usage or requirement of law with respect thereto.

(e) Each Series of Certificates shall be issued for such authorized purpose or purposes; shall bear such interest rate designations; and shall be payable in lawful money of the United States of America on such dates; all as determined pursuant to the Supplemental Trust Agreement authorizing the issuance thereof.

(f) Each Series of Certificates shall be issued in such denominations; shall be dated such date; shall bear such numbers; shall be payable at such place or places and at such time or times; shall contain such redemption provisions; shall consist of such amounts of Term Certificates, Serial Certificates, Capital Appreciation Certificates and Variable Rate Certificates; shall mature in such years and amounts; and the proceeds shall be used in such manner; all as determined pursuant to the Supplemental Trust Agreement authorizing the issuance thereof. Each Series of Certificates may be secured by a Credit Facility or municipal bond insurance policy all as shall be determined pursuant to the Supplemental Trust Agreement authorizing the issuance thereof.

(g) The principal of the Certificates shall be payable from the Principal Component of the Basic Rent Payments on July 1 of each year, except as otherwise provided by Supplemental Trust Agreement. The interest on the Current Interest Certificates shall be payable semiannually from the Interest Component of Basic Rent Payments on the Payment Dates, except as otherwise provided by Supplemental Trust Agreement. The Interest Component of Capital Appreciation Certificates shall be paid at maturity or upon prior prepayment. Interest on the Certificates shall be computed upon the basis of a 360-day year, consisting of twelve 30-day months, except as otherwise provided by Supplemental Trust Agreement. The Certificates shall be numbered in such manner as the Trustee deems appropriate.

(h) The principal of all Certificates and the Interest Component of any Capital Appreciation Certificates shall be payable at the Principal Office of the Trustee. Payment of the principal of all Certificates shall be made upon the presentation and surrender of such Certificates as the same shall become due and payable. Payment of interest on the Current Interest Certificates shall be by check or draft mailed to the Owner as of the close of business on the Record Date at his address as it appears on the Certificate Register maintained by the Trustee; except that, if and to the extent that there shall be a default in payment of interest due on such Payment Date, such defaulted interest payment shall be paid to the Owners in whose name any such Current Interest Certificates are registered at the close of business on the fifteenth day preceding the date of payment of such defaulted interest payment; provided, however, that at the request and expense of the Owner of \$1,000,000 or more in aggregate principal

8

Supplemental Trust Agreement relating to such Series of Certificates;

(iii) An executed copy of the Request and Authorization relating to such Series of Certificates;

(iv) A fully executed counterpart of this Trust Agreement and the Supplemental Trust Agreement relating to such Series of Certificates;

(v) A fully executed counterpart of the Lease Agreement and the Lease Schedule relating to the Project to be financed from such Series of Certificates;

(vi) A fully executed counterpart of the Assignment of Lease Agreement;

(vii) A fully executed counterpart of each Ground Lease, if any, relating to the Project to be financed from such Series of Certificates and of the Assignment thereof;

(viii) An opinion of counsel for the Corporation to the effect that (A) the Corporation has been duly organized and is validly existing as a not-for-profit corporation in good standing under the laws of the State, and the Corporation has the power and authority to execute and deliver this Trust Agreement, the Supplemental Trust Agreement relating to such Series of Certificates, the Lease Agreement, any applicable Ground Lease, the Lease Schedule relating to the Project to be financed from such Series of Certificates and the Assignment of Lease Agreement and Assignment of Ground Lease, (B) this Trust Agreement, the Supplemental Trust Agreement relating to such Series of Certificates, the Lease Agreement, any applicable Ground Lease, the Lease Schedule relating to the Project to be financed from such Series of Certificates and the Assignment of Lease Agreement and the Assignment of Ground Lease Agreement have each been duly authorized, executed and delivered by the Corporation and, assuming due authorization, execution and delivery thereof by the other parties thereto, constitute valid and binding agreements of the Corporation enforceable in accordance with their terms, except to the extent that the enforceability of the same may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally and by usual equity principles;

(ix) An opinion of counsel to the Board to the effect that (A) the Board is the duly organized and validly existing governing body of the District and has all necessary power and authority to execute and deliver the Lease Agreement, any applicable Ground Lease, the Lease Schedule relating to the Project to be financed from such Series of Certificates, this Trust Agreement and the Supplemental Trust Agreement relating

10

amount of Outstanding Current Interest Certificates, interest shall be paid by wire transfer on the interest Payment Date to a bank account located in the continental United States and designated in writing to the Trustee by said Owner at least five days prior to such Interest Payment Date.

(i) Subject to the foregoing provisions of this Section, each Certificate delivered under this Trust Agreement upon transfer of or in exchange for or in lieu of any other Certificate of the same Series shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Certificate and each such Certificate shall bear interest from such date, so that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

(j) Variable Rate Certificates must have a Maximum Interest Rate relating thereto which shall be established at the time of issuance of such Certificates. Prior to the termination of the Lease Agreement, any accelerated principal payments due to a Credit Bank in regard to Variable Rate Certificates or any interest due on such Variable Rate Certificates in excess of the interest on such Certificates to said Credit Bank shall be subordinate to the payment of Basic Rent Payments represented by the Certificates. The issuance of any Variable Rate Certificates hereunder must be approved by all Credit Enhancers of any Outstanding Certificates. Prior to issuance of any Variable Rate Certificates notice thereof shall be delivered to S&P and Moody's.

SECTION 4.02. DELIVERY OF CERTIFICATES. (a) Each Series of Certificates, other than Completion Certificates and Refunding Certificates, shall be executed substantially in the form and in the manner set forth herein, but before such Series of Certificates shall be delivered by the Trustee, there shall be filed or deposited with the Trustee the following:

(i) A copy, certified by the Secretary of the Corporation, or his designee, of the resolution or resolutions of the Board of Directors of the Corporation approving the form of and authorizing the execution and delivery of the Lease Agreement, any applicable Ground Lease, the Lease Schedule relating to the Project to be financed from such Series of Certificates, the Assignment of Lease Agreement, this Trust Agreement and the Supplemental Trust Agreement relating to such Series of Certificates;

(ii) A copy, certified by the Secretary of the Board, or his designee, of the resolution or resolutions of the Board approving the form of and authorizing the execution and delivery of the Lease Agreement, any applicable Ground Lease, the Lease Schedule relating to the Project to be financed from such Series of Certificates, this Trust Agreement and the

9

to such Series of Certificates, and (B) the Lease Agreement, any applicable Ground Lease, the Lease Schedule relating to the Project to be financed from such Series of Certificates, this Trust Agreement and the Supplemental Trust Agreement relating to such Series of Certificates have each been duly authorized, executed and delivered by the Board and, assuming due authorization, execution and delivery thereof by the other parties thereto and subject to the terms and conditions thereof, constitute the valid and binding agreements of the Board enforceable in accordance with their terms, except to the extent that the enforceability of the same may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally and by the usual equitable principles;

(x) An opinion of Special Counsel to the effect that (A) the Board is the duly organized and validly existing governing body of the District and has all necessary power and authority to execute and deliver the Lease Agreement, any applicable Ground Lease, the Lease Schedule relating to the Project to be financed from such Series of Certificates, this Trust Agreement and the Supplemental Trust Agreement relating to such Series of Certificates, and (B) the Lease Agreement, any applicable Ground Lease, the Lease Schedule relating to the Project to be financed from such Series of Certificates, this Trust Agreement and the Supplemental Trust Agreement relating to such Series of Certificates have each been duly authorized, executed and delivered by the Board and, assuming due authorization, execution and delivery thereof by the other parties thereto and subject to the terms and conditions thereof, constitute the valid and binding agreements of the Board enforceable in accordance with their terms, except to the extent that the enforceability of the same may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally and by the usual equitable principles and (C) except for Taxable Certificates, the Interest Component of such Series of Certificates is excluded from the gross income of the Owners thereof for purposes of federal income taxation;

(xi) An opinion of Counsel to the Trustee to the effect that such Series of Certificates have been duly executed, authenticated and delivered by the Trustee in accordance with the terms hereof; and

(xii) Either (A) written approval by the Department of Education or (B) an opinion of counsel to the Board or Special Counsel, to the effect that approval of the Department is not required by law.

(b) When the documents described in paragraphs (i) to (xi), inclusive, of Section 4.02(a) hereof shall have been filed with the Trustee and when the Certificates shall have been executed and authenticated as required by this Trust Agreement, the Trustee

11

shall deliver the Certificates at one time to, or upon the order of, the Purchasers of such Series, but only upon payment to the Trustee of the purchase price of such Certificates and the accrued interest thereon. The Trustee shall be entitled to rely upon the resolutions described in paragraphs (i) and (ii) of Section 4.02(a) hereof as to all matters stated therein. The Trustee and the Credit Enhancer shall be entitled to rely upon the opinions described in paragraphs (viii), (ix) and (x) of Section 4.02(a) hereof as to all matters stated therein.

SECTION 4.03. EXECUTION OF CERTIFICATES. The Certificates shall be executed with the manual or facsimile signature of an authorized officer of the Trustee. In case any officer whose signature or a facsimile of whose signature shall appear on any Certificates shall cease to be such officer before the delivery of such Certificates, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery. Any Certificates may bear the facsimile signature of, or may be signed by, such officer as at the actual time of the execution of such Certificates shall be the proper officer to sign such Certificates although at the dated date of such Certificates such officer may not have been such officer.

SECTION 4.04. AUTHENTICATION OF CERTIFICATES. Only such Certificates as shall have endorsed thereon a certificate of authentication substantially in the form set forth in Exhibit B hereto, manually executed by the Trustee, shall be entitled to any benefit or security under this Trust Agreement. No Certificate shall be valid or obligatory for any purpose unless and until such certificate of authentication on the Certificate shall have been duly executed by the Trustee, and such certificate of the Trustee upon any such Certificate shall be conclusive evidence that such Certificate has been duly authenticated and delivered under this Trust Agreement. The Trustee's certificate of authentication on any Certificate shall be deemed to have been duly executed if signed by an authorized officer of the Trustee, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Certificates that may be issued hereunder at any one time.

SECTION 4.05. EXCHANGE OF CERTIFICATES. 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 Certificates of the same maturity and Series, of any denomination or denominations authorized by this Trust Agreement, bearing interest at the same rate, and in the same form as the Certificates surrendered for exchange.

12

Owner of such Certificate, whether such 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 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 Certificate to the extent of the sum or sums so paid, and neither the Corporation, the Board nor the Trustee shall be affected by any notice to the contrary.

SECTION 4.08. MUTILATED, DESTROYED, STOLEN OR LOST CERTIFICATES. (a) In case any Certificate secured hereby shall become mutilated or be destroyed, stolen or lost, the Trustee shall cause to be executed, shall authenticate and deliver, a new Certificate of like date and tenor in exchange and substitution for and upon the cancellation of such mutilated Certificate or in lieu of and in substitution for such 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 Certificate destroyed, stolen or lost, the Owner shall file with the Trustee evidence satisfactory to it and that such Certificate was destroyed or lost, and of his ownership thereof, and as a condition precedent to delivery of such new Certificate the Trustee may require indemnity satisfactory to it.

(b) Every Certificate issued pursuant to the provisions of this Section in exchange or substitution for any Certificate which is mutilated, destroyed, lost or stolen shall constitute an additional contractual obligation pursuant to the terms hereof, whether or not the destroyed, lost or stolen Certificate shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits hereof equally and proportionately with any and all other Certificates duly issued under this Trust Agreement. All Certificates shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Certificates, and shall preclude any and all other rights or remedies, notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender.

SECTION 4.09. TEMPORARY CERTIFICATES. (a) Until definitive Certificates are ready for delivery, there may be executed, and upon request of the Board, the Trustee shall authenticate and deliver, in lieu of definitive Certificates and subject to the same limitations and conditions, typewritten, printed, engraved or lithographed temporary Certificates, in the form of fully registered Certificates in denominations of \$5,000 or any whole multiple thereof, substantially of the tenor of the Certificates set forth in this Trust Agreement and with such appropriate omissions, insertions and variations as may be required.

14

SECTION 4.06. NEGOTIABILITY, REGISTRATION AND TRANSFER OF CERTIFICATES. (a) The Trustee shall keep or cause to be kept a Certificate Register, which shall at all times be open to inspection by the Board and the Corporation; 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 Certificates as provided herein.

(b) The transfer of any 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 Certificate a new registered Certificate or Certificates, registered in the name of the transferee, of any denomination or denominations authorized by this Trust Agreement in the aggregate principal amount equal to the principal amount of such Certificate surrendered or exchanged, of the same maturity and Series and bearing interest at the same rate.

(c) In all cases in which Certificates shall be exchanged or the transfer of Certificates shall be registered hereunder, the Trustee shall authenticate and deliver at the earliest practicable time Certificates in accordance with the provisions of this Trust Agreement. All Certificates surrendered in any such exchange or registration of transfer shall forthwith be cancelled by the Trustee. Upon the cancellation of any 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 Certificates so cancelled, and executed cancellation Certificates shall be filed with the Board 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 Certificates, but 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 Certificates as a condition precedent to such registration, transfer or exchange. The Trustee shall not be required to transfer or exchange Certificates (i) during a period beginning at the opening of business fifteen (15) days before the day of the mailing of a notice of prepayment and redemption of Certificates and ending at the close of business on the day of such mailing, (ii) so selected for prepayment and redemption in whole or in part, or (iii) during a period beginning at the opening of business on the Record Date next preceding a date set for payment of interest and ending on such interest Payment Date.

SECTION 4.07. OWNERSHIP OF CERTIFICATES. The Trustee shall deem and treat the Person in whose name any Outstanding Certificate shall be registered upon the Certificate Register as the absolute

13

(b) If temporary Certificates shall be issued, the Trustee, upon preparation of the definitive Certificates and presentation to it at its designated office of any temporary Certificate, shall cancel the same and authenticate and deliver to the Owner, without charge to such Owner, a definitive Certificate or Certificates of an equal aggregate principal amount, of the same maturity and Series and bearing interest at the same rate as the temporary Certificate surrendered. Until so exchanged, the temporary Certificates shall in all respects be entitled to the same benefit and security of this Trust Agreement as the definitive Certificates to be issued and authenticated hereunder.

SECTION 4.10. EVIDENCE OF SIGNATURES OF CERTIFICATE OWNERS AND OWNERSHIP OF CERTIFICATES. (a) Any request, direction, consent, revocation of consent, or other instrument in writing required or permitted by this Trust Agreement to be signed or executed by Certificate Owners may be in any number of concurrent instruments of similar tenor, and may be signed or executed by such Certificate Owners in person or by their attorneys or agents appointed by an instrument in writing for that purpose. Proof of the execution of any such instrument, or of any instrument appointing any such attorney or agent, and of the ownership of Certificates shall be sufficient for any purpose of this Trust Agreement (except as otherwise herein provided), if made in the following manner:

(i) The fact and date of the execution by any Certificate Owner or his attorney or agent of any such instrument and of any instrument appointing any such attorney or agent, may be proved by a certificate, which need not be acknowledged or verified, of an officer of any bank or trust company located within the United States of America, or of any notary public, or other officer authorized to take acknowledgments of deeds to be recorded in such jurisdictions that the Persons signing such instruments acknowledged before him the execution thereof. Where any such instrument is executed by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such certificate shall also constitute sufficient proof of his authority.

(ii) The fact of the ownership of Certificates by any Certificate Owner and the amount, the principal Payment Date and the numbers of such Certificates and the date of his ownership of the same shall be proved by the Certificate Register held by the Trustee pursuant to this Trust Agreement.

(b) Nothing contained in this Article IV shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters herein stated which may seem sufficient. Any request or consent of the Owner of any Certificate shall bind every future Owner of the same

15

Certificate in respect of anything done or suffered to be done by the Board or the Trustee in pursuance of such request or consent.

SECTION 4.11. DEPOSITORY TRUST COMPANY AND BOOK ENTRY OBLIGATIONS. The Trustee is hereby authorized if so requested by the Purchasers of a Series of Certificates to take such actions as may be necessary from time to time to qualify such Series for registration in the name of Cede & Co., as nominee for The Depository Trust Company. No such arrangements with The Depository Trust Company may adversely affect the interests of any of the Owners of the Certificates; provided, however, that the Trustee shall not be liable with respect to any such arrangements it may make pursuant to this Section. The Trustee is further authorized if so requested by the Board to take such actions as may be necessary to qualify a Series of Certificates as uncertificated registered public obligations (not represented by instruments), commonly known as book-entry only obligations, provided it shall establish a system of registration therefor by Supplemental Trust Agreement. Any expenses incurred by the Trustee pursuant to this Section shall be paid by the Board.

SECTION 4.12. COMPLETION CERTIFICATES. (a) Completion Certificates may be issued to provide necessary funds to complete payment of the Costs of a Project previously financed hereunder or to finance additional property which shall be added to a Project or which shall be substituted for a portion of a Project. Except for the purposes of Section 6.03 of the Lease Agreement, such Completion Certificates, for purposes of this Trust Agreement, the Lease Agreement and any applicable Ground Lease shall constitute a part of the same Series of Certificates as the Certificates issued to pay the original Costs of the Project. Such Completion Certificate shall be executed substantially in the form and in the manner set forth herein, but before such Completion Certificates shall be delivered by the Trustee, there shall be filed or deposited with the Trustee the following:

(i) A copy, certified by the Secretary of the Corporation, or his designee, of the resolution or resolutions of the Board of Directors of the Corporation approving the form of and authorizing the execution and delivery of the Lease Agreement, any applicable Ground Lease, the Lease Schedule relating to the original Project as amended to take into account the Completion Certificates, the Assignment of Lease Agreement, any applicable Assignment of Ground Lease, this Trust Agreement and the Supplemental Trust Agreement relating to such Completion Certificates;

(ii) A copy, certified by the Secretary of the Board, or his designee, of the resolution or resolutions of the Board approving the form of and authorizing the execution and delivery of the Lease Agreement, any applicable Ground Lease, the Lease Schedule relating to the original Project as amended

16

original Project as amended to take into account the Completion Certificates, this Trust Agreement and the Supplemental Trust Agreement relating to such Completion Certificates, and (B) the Lease Agreement, any applicable Ground Lease, the Lease Schedule relating to the original Project as amended to take into account the Completion Certificates, this Trust Agreement and the Supplemental Trust Agreement relating to such Completion Certificates have each been duly authorized, executed and delivered by the Board and, assuming due authorization, execution and delivery thereof by the other parties thereto and subject to the terms and conditions thereof, constitute the valid and binding agreements of the Board enforceable in accordance with their terms, except to the extent that the enforceability of the same may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally and by the usual equitable principles;

(x) An opinion of Special Counsel to the effect that (A) the Board is the duly organized and validly existing governing body of the District and has all necessary power and authority to execute and deliver the Lease Agreement, any applicable Ground Lease, the Lease Schedule relating to the Project to be financed from such Series of Certificates, this Trust Agreement and the Supplemental Trust Agreement relating to such Series of Certificates, and (B) the Lease Agreement, any applicable Ground Lease, the Lease Schedule relating to the Project to be financed from such Series of Certificates, this Trust Agreement and the Supplemental Trust Agreement relating to such Series of Certificates have each been duly authorized, executed and delivered by the Board and, assuming due authorization, execution and delivery thereof by the other parties thereto and subject to the terms and conditions thereof, constitute the valid and binding agreements of the Board enforceable in accordance with their terms, except to the extent that the enforceability of the same may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally and by the usual equitable principles, (C) except for Taxable Certificates, the Interest Component of such Series of Certificates is excluded from the gross income of the Owners thereof for purposes of federal income taxation and (D) the issuance of such Certificates will not, in and of itself, adversely affect the exclusion from gross income of the Interest Component of all other Outstanding Certificates, to the extent then excluded;

(xi) An opinion of Counsel to the Trustee to the effect that such Completion Certificates have been duly executed, authenticated and delivered by the Trustee in accordance with the terms hereof;

18

to take into account the Completion Certificates, this Trust Agreement and the Supplemental Trust Agreement relating to such Completion Certificates;

(iii) An executed copy of the Request and Authorization relating to such Completion Certificates;

(iv) A fully executed counterpart of this Trust Agreement and the Supplemental Trust Agreement relating to such Completion Certificates;

(v) A fully executed counterpart of the Lease Agreement and the Lease Schedule relating to the original Project as amended to take into account the Completion Certificates, the change, if any, to such Project and the additional Basic Rent Payments that would have to be made thereunder;

(vi) Fully executed counterparts of the Assignment of Lease Agreement and the Assignment of any applicable Ground Lease Agreement;

(vii) A fully executed counterpart of the Ground Lease;

(viii) An opinion of counsel for the Corporation to the effect that (A) the Corporation has been duly organized and is validly existing as a not-for-profit corporation in good standing under the laws of the State, and the Corporation has the power and authority to execute and deliver this Trust Agreement, the Supplemental Trust Agreement relating to such Completion Certificates, the Lease Agreement, any applicable Ground Lease, the Lease Schedule relating to the original Project as amended to take into account the Completion Certificates and the Assignment of Lease Agreement, (B) this Trust Agreement, the Supplemental Trust Agreement relating to such Completion Certificates, the Lease Agreement, any applicable Ground Lease, the Lease Schedule relating to the original Project as amended to take into account the Completion Certificates and the Assignment of Lease Agreement have each been duly authorized, executed and delivered by the Corporation and, assuming due authorization, execution and delivery thereof by the other parties thereto, constitute valid and binding agreements of the Corporation enforceable in accordance with their terms, except to the extent that the enforceability of the same may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally or by usual equity principles;

(ix) An opinion of counsel to the Board to the effect that (A) the Board is the duly organized and validly existing governing body of the District and has all necessary power and authority to execute and deliver the Lease Agreement, any applicable Ground Lease, the Lease Schedule relating to the

17

(xii) The written consent to the issuance of the Completion Certificates by the Credit Enhancer, if any, of the Series of Certificates relating to the original Project, or if there shall not be a Credit Enhancer, written evidence that the rating, if any, from Moody's and/or S&P on such Series of Certificates shall not be downgraded at the time of issuance of the Completion Certificates; and

(xiii) Either (A) written approval by the Department of Education, or (B) an opinion of counsel to the Board or Special Counsel, to the effect that approval of the Department is not required by law.

(b) When the documents described in paragraphs (i) to (xii), inclusive, of Section 4.12(a) hereof shall have been filed with the Trustee and when the Completion Certificates shall have been executed and authenticated as required by this Trust Agreement, the Trustee shall deliver the Completion Certificates at one time to, or upon the order of, the Purchasers of such Completion Certificates, but only upon payment to the Trustee of the purchase price of the Completion Certificates and the accrued interest thereon. The Trustee shall be entitled to rely upon the resolutions described in paragraphs (i) and (ii) of Section 4.12(a) hereof as to all matters stated therein. The Trustee and the Credit Enhancer shall be entitled to rely upon the opinions described in paragraphs (viii), (ix) and (x) of Section 4.12(a) hereof as to all matters stated therein.

(c) The proceeds of the Completion Certificates may also be used to fund a Reserve Requirement, capitalize interest on such Completion Certificates and/or pay Costs of Issuance, and shall be deposited in the Pledged Accounts established for the Series of Certificates which financed the original Project in such manner and in such amounts as determined by the Supplemental Trust Agreement relating to authorization of such Completion Certificates. The Completion Certificates shall be secured on parity with such Series of Certificates in accordance with the terms hereof.

SECTION 4.13. REFUNDING CERTIFICATES. (a) Refunding Certificates may be issued under and secured by this Trust Agreement, subject to the conditions hereinafter provided in this section, at any time or times, for the purposes of (i) providing funds for refunding part or all of the Certificates (and the Basic Rent Payments related thereto) at or prior to their maturity or maturities, including the payment of any Prepayment Premium thereon and interest which will accrue on such Certificates to their date of payment, (ii) making a deposit, if necessary, to the subaccount of the Reserve Account which shall secure such Refunding Certificates, and (iii) paying the Costs of Issuance relating to said Refunding Certificates.

19

(b) Such Refunding Certificates shall be executed substantially in the form and manner set forth herein, but before the Refunding Certificates shall be delivered by the Trustee, there shall be filed or deposited with the Trustee the following:

(i) A copy, certified by the Secretary of the Corporation, or his designee, of the resolution or resolutions of the Board of Directors of the Corporation approving the form of and authorizing the execution and delivery of the Lease Agreement, any applicable Ground Lease, the Lease Schedule or Schedules relating to the Certificates to be refunded as amended to take into account the Refunding Certificates, the Assignment of Lease Agreement, any applicable Assignment of Ground Lease, this Trust Agreement and the Supplemental Trust Agreement relating to such Refunding Certificates;

(ii) A copy, certified by the Secretary of the Board, or his designee, of the resolution or resolutions of the Board approving the form of and authorizing the execution and delivery of the Lease Agreement, any applicable Ground Lease, the Lease Schedule or Schedules relating to the Certificates to be refunded as amended to take into account the Refunding Certificates, this Trust Agreement and the Supplemental Trust Agreement relating to such Refunding Certificates;

(iii) An executed copy of the Request and Authorization relating to such Refunding Certificates;

(iv) A fully executed counterpart of this Trust Agreement and the Supplemental Trust Agreement relating to such Refunding Certificates;

(v) A fully executed counterpart of the Lease Agreement and the Lease Schedule or Schedules relating to the Certificates to be refunded as amended to take into account the Refunding Certificates;

(vi) Fully executed counterparts of the Assignment of Lease Agreement and the Assignment of any applicable Ground Lease Agreement;

(vii) A fully executed counterpart of each Ground Lease, if any, relating to the Project or Projects which were financed by the Certificates to be refunded;

(viii) An opinion of counsel for the Corporation to the effect that (A) the Corporation has been duly organized and is validly existing as a not-for-profit corporation in good standing under the laws of the State, and the Corporation has the power and authority to execute and deliver this Trust Agreement, the Supplemental Trust Agreement relating to such

20

Certificates, (B) the Lease Agreement, any applicable Ground Lease, the Lease Schedule or Schedules relating to the Certificates to be refunded as amended to take into account the Refunding Certificates, this Trust Agreement and the Supplemental Trust Agreement relating to such Refunding Certificates have each been duly authorized, executed and delivered by the Board and, assuming due authorization, execution and delivery thereof by the other parties thereto and subject to the terms and conditions thereof, constitute the valid and binding agreements of the Board enforceable in accordance with their terms, except to the extent that the enforceability of the same may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally and by the usual equitable principles, (C) except in the case of Taxable Certificates, the Interest Component of the Refunding Certificates and the refunded Certificates is or will remain excluded from the gross income of the Owner thereof for purposes of federal income taxation and (D), in the case of an advance refunding, the refunded Certificates have been defeased in accordance with the terms hereof;

(xi) An opinion of Counsel to the Trustee to the effect that such Refunding Certificates have been duly executed, authenticated and delivered by the Trustee in accordance with the terms hereof; and

(xii) A report of a certified public accountant or firm of certified public accountants verifying the mathematical accuracy of calculations supplied by the Board, or its designee, that the proceeds of such Refunding Certificates plus any other moneys available for such purpose, including investment earnings, shall be not less than an amount sufficient to pay the principal of and the Prepayment Premium, if any, on the Certificates to be refunded and the Interest Component of Basic Rent represented by the Certificates which will accrue thereon to the prepayment and redemption date or maturity dates applicable thereto.

(c) When the documents described in paragraphs (i) through (xi), inclusive, of Section 4.13(b) hereof shall have been filed with the Trustee and when the Refunding Certificates shall have been executed and authenticated, the Trustee shall deliver such Refunding Certificates to or upon the order of the Purchasers thereof, but only upon payment to the Trustee of the purchase price of such Refunding Certificates, plus accrued interest, if any. The Trustee and the Credit Enhancer shall be entitled to rely upon the opinions described in paragraphs (viii), (ix), (x) and (xi) of Section 4.13(b) hereof as to all matters stated therein.

(d) Other than for amounts required to pay Costs of Issuance or to make deposits to the Reserve Account, the proceeds of such Refunding Certificates and any other moneys received by the Trustee

22

Refunding Certificates, the Lease Agreement, any applicable Ground Lease, the Lease Schedule or Schedules relating to the Certificates to be refunded as amended to take into account the Refunding Certificates, any applicable Assignment of Ground Lease Agreement and the Assignment of Lease Agreement and Ground Lease, (B) this Trust Agreement, the Supplemental Trust Agreement relating to such Refunding Certificates, the Lease Agreement, any applicable Ground Lease, the Lease Schedule or Schedules relating to the Certificates to be refunded as amended to take into account the Refunding Certificates, any applicable Assignment of Ground Lease Agreement and the Assignment of Lease Agreement and Ground Lease have each been duly authorized, executed and delivered by the Corporation and, assuming due authorization, execution and delivery thereof by the other parties thereto, constitute valid and binding agreements of the Corporation enforceable in accordance with their terms, except to the extent that the enforceability of the same may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally or by usual equity principles;

(ix) An opinion of counsel to the Board to the effect that (A) the Board is the duly organized and validly existing governing body of the District and has all necessary power and authority to execute and deliver the Lease Agreement, any applicable Ground Lease, the Lease Schedule or Schedules relating to the Certificates to be refunded as amended to take into account the Refunding Certificates, this Trust Agreement and the Supplemental Trust Agreement relating to such Refunding Certificates, and (B) the Lease Agreement, any applicable Ground Lease, the Lease Schedule or Schedules relating to the Certificates to be refunded as amended to take into account the Refunding Certificates, this Trust Agreement and the Supplemental Trust Agreement relating to such Refunding Certificates have each been duly authorized, executed and delivered by the Board and, assuming due authorization, execution and delivery thereof by the other parties thereto and subject to the terms and conditions thereof, constitute the valid and binding agreements of the Board enforceable in accordance with their terms, except to the extent that the enforceability of the same may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally and by the usual equitable principles;

(x) An opinion of Special Counsel to the effect that (A) the Board is the duly organized and validly existing governing body of the District and has all necessary power and authority to execute and deliver the Lease Agreement, any applicable Ground Lease, the Lease Schedule or Schedules relating to the Certificates to be refunded as amended to take into account the Refunding Certificates, this Trust Agreement and the Supplemental Trust Agreement relating to such Refunding

21

or other escrow agent acceptable to the Board for such purpose, shall be held by the Trustee or such other escrow agent in a special fund appropriately designated, to be held in trust for the sole and exclusive purpose of paying the principal of, Prepayment Premium, if any, and interest on the Certificates to be refunded, all as provided in Section 12.01 hereof.

(e) The Trustee is hereby authorized, at the direction of the Board, to remove moneys from the appropriate subaccount or subaccounts of the Principal Account, the Interest Account and the Reserve Account pledged to the payment of the Certificates to be refunded and apply the same in the manner required by the Supplemental Trust Agreement authorizing the issuance of the Refunding Certificates.

(f) The Refunding Certificates shall be secured in the same manner and from the same Pledged Accounts as were the Certificates to be refunded in accordance with the terms hereof.

SECTION 4.14. PAYMENTS FROM TRUST ESTATE ONLY; DISTRIBUTION OF TRUST ESTATE. (a) Unless otherwise set forth in the 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 this Trust Agreement shall rank pari passu and be equally and ratably secured under this Trust Agreement with each other Certificate of such Series, but not with any Certificate of any other Series issued pursuant to this Trust Agreement and Outstanding, 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 Certificateholders 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 Certificateholders 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 this Trust Agreement.

(b) Except as otherwise expressly provided in Section 4.14(a) above, and elsewhere herein, all amounts payable by the Trustee with respect to a Series of Certificates or to any Credit Enhancer who shall have issued a Credit Facility or municipal bond insurance policy securing such Series pursuant to this Trust Agreement shall be paid only from the portion of the Trust Estate derived from Basic Rent Payments made pursuant to the Lease Schedule corresponding to such Series and only to the extent that the Trustee shall have actually received sufficient income or proceeds from such portion of the Trust Estate to make such payments. Each Certificateholder agrees, and each such Credit Enhancer, by its execution and delivery of a Credit Facility or municipal bond insurance policy shall be deemed to have agreed, except as otherwise expressly provided herein, to look solely to the income

23

of and the proceeds from such portion of the Trust Estate to the extent available for distribution to such holder and each such Credit Enhancer as herein provided and that the Trustee is not personally liable to any Certificateholder or any such Credit Enhancer for any amounts payable under this Trust Agreement or subject to any liability under this Trust Agreement except as a result of negligence or willful misconduct by the Trustee.

ARTICLE V

PREPAYMENT

SECTION 5.01. PREPAYMENT. The terms of this Article V shall apply to the prepayment of Certificates of a Series other than Capital Appreciation Certificates and Variable Rate Certificates. The terms and provisions relating to the prepayment of Capital Appreciation Certificates and Variable Rate Certificates shall be provided by the Supplemental Trust Agreement relating to the issuance thereof.

SECTION 5.02. SELECTION OF CERTIFICATES TO BE PREPAID. (a) When Certificates are prepaid by lot, selection of Certificates for prepayment shall be in such manner as the Trustee shall determine; provided, however, that the portion of any Certificate to be prepaid shall be in the principal amount of \$5,000 or any whole multiple thereof, and that in selecting portions of Certificates for prepayment, the Trustee shall treat each such Certificate as representing that number of Certificates which is obtained by dividing the principal amount with respect to such Certificate by \$5,000.

(b) Upon any prepayment pursuant to this Article V, the Trustee shall provide the Board with, or cause to be provided, a revised schedule of Basic Rent Payments which schedule shall take into account such prepayment and shall be and become for all purposes part of the Lease Agreement.

SECTION 5.03. NOTICE OF PREPAYMENT. (a) When prepayment of Certificates is authorized or required pursuant to the provisions hereof and of any Supplemental Trust Agreement relating to such Certificates, the Trustee shall give to the Owners of Certificates to be prepaid notice, at the expense of the Board, of the prepayment of the Certificates. Such notice shall state: (i) the CUSIP numbers of all Certificates being prepaid, (ii) the original issue date of such Certificates, (iii) the maturity date, Series and rate of interest borne by each 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 Certificates are to be prepaid, the certificate number (and, in the case of a partial prepayment of any Certificate, the principal amount) of each Certificate to be prepaid, (viii) that on such prepayment date there shall become due and payable upon each Certificate to be prepaid the Prepayment Price thereof, or the Prepayment Price of the specified portions of the principal thereof in the case of 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, (ix) that the Certificates to be prepaid, whether as a whole or in part, are to be surrendered for payment of the

24

25

Prepayment Price at the designated corporate trust office of the Trustee at an address specified, and (x) the name and telephone number of a person designated by the Trustee to be responsible for such prepayment.

(b) Notice of such prepayment shall be given by mail, postage prepaid, not more than sixty (60) days or fewer than thirty (30) days prior to said date of prepayment, to the Owners of any 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 Certificates.

(c) In addition to the mailing of the notice described above, each notice of prepayment and payment of the Prepayment Price shall meet the following requirements; provided, however, that failure to provide such further notice of prepayment to comply with the terms of this paragraph shall not in any manner defeat the effectiveness of a call for prepayment if notice thereof is given as prescribed in Sections 5.03(a) and 5.03(b) hereof:

Each further notice of prepayment shall be sent at least two (2) days before the notice of such prepayment and redemption is given to the Owners of Certificates as provided above, by certified mail or overnight delivery service or telecopy to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Certificates (such depositories now being The Depository Trust Company, New York, New York, Midwest Securities Trust Company, Chicago, Illinois and Philadelphia Depository Trust Company, Philadelphia, Pennsylvania) and one or more national information services which disseminate notices of prepayment of obligations such as the Certificates.

SECTION 5.04. DEPOSIT OF PREPAYMENT AMOUNT; EFFECT OF CALLING FOR PREPAYMENT. (a) On or before the date on which a notice of prepayment is mailed pursuant to Section 5.03 hereof, the Board shall deposit with the Trustee moneys or Refunding Securities or a combination thereof in an amount sufficient to pay the principal of and the Prepayment Premium, if any, and interest accruing thereon to the prepayment date of the Certificates called for prepayment.

(b) On the date fixed for prepayment, notice having been given in the manner and under the conditions hereinabove provided, the 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 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 Certificates to be prepaid, interest on the Certificates called for redemption shall cease to accrue as of the date set for prepayment; such Certificates shall cease to be

26

entitled to any benefits or security under this Trust Agreement or to be deemed Outstanding; and the Owners of such 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. Certificates and portions of Certificates for which irrevocable instructions to pay on one or more specified dates or to call for prepayment at the earliest prepayment date have been given to the Trustee in form satisfactory to it shall not thereafter be deemed to be outstanding under this Trust Agreement and shall cease to be entitled to the security of or any rights under this Trust Agreement, other than rights to receive payment of the Prepayment Price thereof and accrued interest thereon to the date fixed for prepayment, to be given notice of prepayment in the manner provided in Section 5.03 hereof, and, to the extent hereinafter provided, to receive Certificates for any unpaid portions of Certificates if money or Refunding Securities, or a combination of both, sufficient to pay the Prepayment Price of such Certificates or portions thereof, together with accrued interest thereon to the date upon which such Certificates are to be prepaid, are held in separate accounts by the Trustee in trust for the Owners of such Certificates.

SECTION 5.05. PREPAYMENT OF A PORTION OF CERTIFICATES. If a portion of an Outstanding Certificate shall be selected for prepayment, the Owner thereof or his attorney or legal representative shall present and surrender such Certificate to the Trustee for payment of the principal amount thereof so called for prepayment and the Prepayment Premium, if any, on such principal amount, and the Trustee shall authenticate and deliver to or upon the order of such Owner or his legal representative, without charge therefor, for the unpaid portion of the principal amount of the Certificate so surrendered, a Certificate of the same maturity and Series and bearing interest at the same rate; provided, however, that if the Owner is a securities depository nominee, the securities depository, in its discretion, (a) may surrender such Certificate to the Trustee and request that the Trustee authenticate and deliver a new Certificate for the portion of the principal amount of the Certificate so surrendered which was not prepaid, or (b) shall make an appropriate notation on the Certificate indicating the dates and amounts of such reduction in principal.

SECTION 5.06. CANCELLATION. Certificates so prepaid, presented and surrendered shall be cancelled upon the surrender thereof.

27

ARTICLE VI

ESTABLISHMENT AND ADMINISTRATION OF FUNDS AND ACCOUNTS

SECTION 6.01. APPLICATION OF CERTIFICATE PROCEEDS. On the date of delivery of each Series of Certificates, the Trustee agrees to deposit the proceeds of the Certificates as provided in the Request and Authorization relating to each such Series, which shall be in substantially the form provided in Exhibit C attached hereto.

SECTION 6.02. CREATION OF FUNDS AND ACCOUNTS. (a) There is hereby established with the Trustee the following funds and accounts:

(i) The "School Board of Hillsborough County, Florida Master Lease Project Fund." The Trustee shall maintain three separate accounts in the Project Fund: the "Project Account," the "Costs of Issuance Account" and the "Capitalized Interest Account."

(ii) The "School Board of Hillsborough County, Florida Master Lease Lease Payment Fund." The Trustee shall maintain three separate accounts in the Lease Payment Fund: the "Principal Account," the "Interest Account" and the "Reserve Account."

(iii) The "School Board of Hillsborough County, Florida Master Lease Prepayment Fund."

(iv) The "School Board of Hillsborough County, Florida Master Lease Rebate Fund."

Moneys in the aforementioned funds and accounts (other than the Rebate Fund), until applied in accordance with the provisions hereof, shall be subject to a lien and charge in favor of the Owners of the Certificates and for the further security of such Owners in accordance with the terms hereof. The Trustee shall keep and hold moneys in the funds, accounts and subaccounts established pursuant to this Section separate and apart from all other funds and moneys held by it.

(b) Except as may otherwise be provided by Supplemental Trust Agreement, the Trustee shall establish, upon the issuance of any Series of Certificates, other than Completion Certificates, (i) a separate subaccount in the Project Account, the Capitalized Interest Account (if the proceeds of such Series shall be used to capitalize interest therefor), the Costs of Issuance Account, the Principal Account, the Interest Account and the Reserve Account (if proceeds of such Series shall be required to be deposited therein), and (ii) a separate account in the Prepayment Fund. Such separate account and subaccounts described above (the "Pledged Accounts")

28

representations. The Trustee has no responsibility or duty to review the attachments to any Requisition, provided the Trustee shall determine that all necessary attachments to such Requisition are, in fact, attached.

(c) The Trustee shall make payment for each item of Equipment or interest in Land constituting a portion of a Project in the amount of the purchase price therefor from the appropriate subaccount of the Project Account by transferring such amount in accordance with the procedures described in Section 6.03(b) hereof within two Business Days of the receipt of (i) a Requisition, and (ii) a detailed journal report listing Vendor, check number and invoice number, in the case of Equipment, or a fully executed purchase contract setting forth the purchase price and other pertinent information, in the case of interest in the Land. Any such invoice, bill of sale or purchase contract shall indicate that title to the Equipment, other than Designated Equipment, shall be in the name of the Corporation and that title to Designated Equipment referred to therein shall be in the name of the Board. Before the Trustee is authorized to make any disbursements for the acquisition of Land, or the Construction of a Building on Land which is leased to the Corporation pursuant to a Ground Lease, the Trustee shall have received an ALTA title insurance policy, or a commitment with respect thereto, with a reputable title insurance company, indicating the Trustee as an additional named insured or payee to the extent that its interest is insurable under Florida law, which shall insure the Corporation's title to its interest in such Land in the sum provided therefor in the Lease Schedule related to the Project of which such Land or Building is a part. Such Lease Schedule may with the consent of the Credit Enhancer with respect to such Lease Schedule also provide for a title opinion in lieu of title insurance. In the case of acquisition of Land, the Trustee shall, at the request of the Board, transfer, pursuant to a Requisition, moneys to an escrow account held by the attorney to the Board which moneys shall be used to purchase the Land within three Business Days of such transfer. The Trustee may rely upon all assertions made by the Board in the Requisition.

(d) (i) Before the Trustee is authorized to make any disbursements for the construction of a Building (except for the payment of Architect's or Engineer's progress payments as described below), the Trustee shall have received from the Board the following instruments and documents in form and substance acceptable to the Trustee:

(A) A copy certified as true of the Construction Contract or Contracts for such Building.

(B) A copy of all permits or government approvals obtained by the Corporation or the Board for the construction of such Building, if any, including, without limitation,

shall be established for the sole benefit of the Owners of the Series of Certificates for which they shall be established. The Trustee shall also establish, at the request of the Board, a separate account in the Rebate Fund for a Series of Certificates. Each such account and subaccount shall be designated by the Trustee with the Series of the Certificates to which they shall secure.

SECTION 6.03. PROJECT ACCOUNT. (a) The Trustee shall deposit into each subaccount of the Project Account (i) the proceeds from the Series of Certificates for which it was established in accordance with the Request and Authorization relating to such Series, (ii) any additional amounts deposited with the Trustee by the Board for the purpose of paying additional Project Costs in accordance with Section 3.05 of the Lease Agreement, and (iii) any Net Proceeds deposited with the Trustee by the Board pursuant to Section 5.08(b) of the Lease Agreement. Amounts in each subaccount of the Project Account shall be disbursed for Costs of the Project for which it was established and for no other purpose. Disbursements from each subaccount of the Project Account shall be made by the Trustee upon receipt of a completed Requisition requesting disbursement, duly executed by an Authorized Officer of the Board.

(b) The Trustee shall make payment for each item or portion of a Project to the Board or the designee of the Board (which may include the Vendor, Developer or Contractor of any portion of such Project) in the amount therefor by transferring such amount from the appropriate subaccount of the Project Account by wire transfer into an account (including an account of the Vendor, Developer or Contractor) designated in writing in advance by the Board, by check to the designee of the Board or by crediting such amount to an account of the Board maintained with the banking department of the Trustee for such purpose within two Business Days of the receipt of a Requisition from the Board (provided the Requisition is in compliance with the terms hereof) and any materials or instruments required by the terms hereof and of the Lease Agreement. The parties acknowledge that the Trustee, pursuant to a certificate of an Authorized Officer of the Board, may waive any noncompliance with the requirements for the disbursement of Project Account moneys. The Board agrees to indemnify and hold harmless the Trustee for any cost or expenses suffered by the Trustee as a result of such waiver. The Trustee is also authorized to rely upon the Board's written approval of the Requisition without independently confirming compliance with or satisfaction of such requirements or the requirements set forth in this Trust Agreement. The Trustee may also rely upon the certification of the Board in the Requisition or in any documents, certificates or instruments submitted in connection therewith as to the factual conditions precedent to any disbursements hereunder and shall have no responsibility or duty to review the attachments to such Requisition (but must determine that all required attachments are present) or investigate the basis for such certifications or

29

building permits and water management district permits or approvals.

(C) One copy of a recent survey plat of the portion of the Land upon which such Building is to be constructed prepared and sealed by a licensed Florida surveyor. The survey plat must (i) include a legal description of such portion of the Land and certify the number of acres included in such portion of the Land; (ii) include the boundaries of such Land; (iii) indicate the size and location of all existing improvements, roads, paths, culverts, drainage ditches, easements, utility lines and encroachments on such portion of the Land; (iv) indicate the size and location of all easements affecting such portion of the Land; (v) indicate the location of the nearest public streets and access of such portion of the Land to those streets; and (vi) indicate the flood hazard designation (if any).

(D) A payment and performance bond, or appropriate substitute therefor, meeting the requirements of Section 255.05, Florida Statutes, in the full amount of the Construction Contracts to be entered into pursuant thereto naming the Trustee as co-obligee.

(E) A copy of the Plans and Specifications for such Building.

(F) A Phase I environmental audit relating to the portion of the Premises upon which the Project is to be constructed prepared by an independent engineer or other qualified consultant and concluding that such portion of the Land is "environmentally acceptable" and not recommending the performance of more intensive procedures.

Nothing hereinabove shall be interpreted to require that the items mentioned in clauses (A) to (F), inclusive, be filed with each Requisition so long as such items are on file with the Trustee.

(ii) Each Requisition submitted by the Board for payment of Project Costs constituting construction costs (except for the payment of Architect's or Engineer's progress payments as described below) must be approved in writing by an Authorized Officer of the Board and must include certificates and/or affidavits from the Architect, Engineer, Contractor or Developer (as is appropriate under the circumstances), certifying with respect to the portion of such Project to which such Requisition relates:

(A) The estimated percentage of the construction completed at that time based upon the Plans and Specifications of such Project;

30

31

(B) That all claims for labor and materials have been paid;

(C) That there are no liens other than Permitted Encumbrances outstanding against such portion of the Project;

(D) That all construction completed to date has been done in accordance with the Plans and Specifications relating thereto;

(E) That all required surety bonds are in full force and effect; and

(F) That the Building can be completed in accordance with the Plans and Specifications and the Project Budget relating thereto on or before the Estimated Completion Date.

(iii) Each Requisition submitted by the Board for payment of Project Costs constituting Architect's or Engineer's progress payments must be accompanied by the bill for the amount of such progress payment and be approved in writing by an Authorized Officer of the Board.

(e) Execution by the Board of a Requisition shall constitute approval and acceptance of the items or portions of the Project identified therein for purposes of disbursements hereunder and under the Lease Agreement.

(f) Upon the receipt by the Trustee of a completed Requisition therefor, the Trustee shall disburse moneys from the appropriate subaccount of the Project Account in the manner required in this Section to reimburse the Board for Project Costs paid by the Board prior to the Commencement Date relating to such Project in anticipation of the issuance of the Series of Certificates which shall finance such Project.

(g) Upon the earlier of (i) receipt of a certificate executed by an Authorized Officer of the Board stating that all the Costs of a Project have been paid and the acquisition, construction and installation of such Project has been completed in accordance with the Plans and Specifications relating thereto and such Project has been approved and accepted by the Board or (ii) on the Closure Date provided in the Lease Schedule relating to such Project for the closure of the related subaccount of the Project Account (the "Completion Date"), the subaccount of the Project Account established in relation to such Project shall be closed and if amounts remaining in such subaccount of the Project Account equal or exceed the Prepayment Amount provided in the Lease Schedule relating to such Project, such amount shall be deposited into the account of the Prepayment Fund established for the Series of Certificates which financed such Project and shall be applied by the Trustee to effect an extraordinary mandatory prepayment of the

32

transfer shall be made on each Payment Date for such Series until the amounts in such subaccount have been fully expended.

SECTION 6.06. DISPOSITION OF LEASE PAYMENTS. (a) Basic Rent Payments paid in accordance with each Lease Schedule to the Trustee, as assignee of the Corporation pursuant to the Lease Agreement and to the Assignment of Lease Agreement, shall be deposited as received by the Trustee in the Lease Payment Fund in the following manner and in the following order of priority:

(i) There shall be deposited to the subaccount of the Interest Account established for the payment of a Series of Certificates from the Interest Component of Basic Rent made in relation to such Series of Certificates an amount which shall be sufficient to pay the interest becoming due on such Series of Certificates on the next succeeding Payment Date. Moneys in each subaccount of the Interest Account shall be used to pay the interest on the Series of Certificates for which it was established as and when the same become due, whether by redemption or otherwise, and for no other purpose. No further deposit need be made to the Interest Account when the moneys therein are equal to the interest coming due on all Outstanding Certificates on the next succeeding Payment Date.

(ii) There shall be deposited to the subaccount of the Principal Account established for the payment of a Series of Certificates from the Principal Component of Basic Rent made in relation to such Series of Certificates an amount which shall be sufficient to pay the principal and the Amortization Installment becoming due on such Series of Certificates on the next succeeding principal Payment Date. Moneys in each subaccount of the Principal Account shall be used to pay the principal and the Amortization Installment of the Series of Certificates for which it was established as and when the same shall mature or are redeemed, and for no other purpose. No further deposit need be made to the Principal Account when the moneys therein are equal to the principal and the Amortization Installment coming due on all Outstanding Certificates on the next succeeding principal Payment Date.

(b) Supplemental Rent payments made by the Board pursuant to Section 4.03(f) of the Lease Agreement shall be deposited as received by the Trustee to the appropriate subaccount of the Reserve Account. Supplemental Rent payments made by the Board pursuant to Section 4.03(g) of the Lease Agreement shall be deposited as received by the Trustee to the Rebate Fund. Any other Supplemental Rent payments received by the Trustee shall be applied to the payment of Persons entitled to such Supplemental Rent, or, if the Trustee determines such Supplemental Rent payment is surplus, it shall be utilized in such manner as shall be directed by the Board.

34

Series of Certificates which financed such Project in accordance with the provisions hereof; provided, if the excess amount then remaining in such subaccount of the Project Account is less than such Prepayment Amount, such excess amount shall be deposited first, into the subaccount of the Interest Account established in relation to such Project to the extent necessary to fund such Account for the next two Payment Dates, and second, to the Principal Account established in relation to such Project. If a subaccount of the Project Account has not been earlier closed and if, on or before the Closure Date provided in the Lease Schedule for closure of such subaccount, the Board provides a certificate of an Authorized Officer that all or a portion of moneys then on deposit in such subaccount of the Project Account are required to pay Project Costs for items which have been or will be ordered or contracted, or Project Costs constituting sales or use taxes of items installed if such sales or use taxes are or will be payable but have not yet been paid, then such remaining amounts or portions thereof shall not be deemed excess amounts within the meaning of this Section 6.03(g) and shall be retained in such subaccount of the Project Account for the purpose of payment of said Project Costs described in said certificate. Said certificate may direct the deposit of Project Costs constituting said sales and use taxes in a separate subaccount to be used for payment of said sales and use taxes at the time and in the manner as an Authorized Officer of the Board shall direct, but in no event shall the Trustee be responsible or liable for payment of said sales and use taxes except as may be so directed by an Authorized Officer of the Board.

SECTION 6.04. COSTS OF ISSUANCE ACCOUNT. (a) Amounts in each subaccount of the Costs of Issuance Account shall be disbursed for Costs of Issuance relating to the Series of Certificates for which it was established within six months from the date of delivery of such Certificates. Disbursements from the Costs of Issuance Account shall be made by the Trustee upon receipt of a Requisition executed by an Authorized Officer of the Board.

(b) Upon receipt of a certificate executed by an Authorized Officer of the Board stating that all Costs of Issuance relating to the Series of Certificates for which it was established have been paid or provision for payment thereof has been made, the Trustee shall transfer any amounts remaining in such subaccount of the Costs of Issuance Account to the subaccount of the Project Account relating to such Series of Certificates and such subaccount of the Costs of Issuance Account shall be closed.

SECTION 6.05. CAPITALIZED INTEREST ACCOUNT. Funds in each subaccount of the Capitalized Interest Account relating to a Series of Certificates shall be transferred to the subaccount of the Interest Account relating to such Series of Certificates in an amount necessary to pay the interest coming due on the Series of Certificates for which such subaccount was established. Such

33

(c) Whenever there has been a prepayment of Basic Rent Payments, for any reason, the Trustee shall prepare, or cause to be prepared, and transmit to the Board a revised Basic Rent Payment schedule for each affected Lease Schedule reflecting such prepayment.

(d) In the event a Series of Certificates is secured by a Credit Facility, the Trustee, at the request of the Board, may deposit moneys in the subaccounts established in the Interest Account and the Principal Account at such other times and in such other amounts from those provided in this Section as shall be necessary to pay the principal of and interest on such Certificates as the same shall become due, all as provided by the Supplemental Trust Agreement authorizing such Certificates. In the case of Certificates secured by a Credit Facility, amounts on deposit in any subaccounts established for such Certificates shall be applied as provided in the applicable Supplemental Trust Agreement to reimburse the Credit Bank for amounts drawn under such Credit Facility to pay the principal of or Prepayment Price, if applicable, and interest on such Certificates or to pay the purchase price of any such Certificates which are tendered by the Owners thereof for payment.

(e) At the time of issuing any Variable Rate Certificates there shall be established the Maximum Interest Rate with respect thereto and a maximum interest rate with respect to amounts owed to the Credit Bank which provides liquidity for such Certificates.

SECTION 6.07. RESERVE ACCOUNT. (a) If on any Payment Date, the amounts in any subaccount of the Interest Account or the Principal Account are less than the interest, principal and Amortization Installment then due in relation to a Series of Certificates for which it was established, the Trustee shall transfer, from the subaccount of the Reserve Account, if any, established in relation to such Series of Certificates, to such subaccount or subaccounts, an amount sufficient to make up any deficiency therein. In the event of any such transfer, the Trustee, except subsequent to an Event of Non-Appropriation, shall, within five (5) days after making such transfer, provide written notice to the Board of the amount and date of such transfer and the Board shall, within thirty (30) days of receipt of such written notice, pay from moneys budgeted and appropriated as Basic Rent during the current Fiscal Year as Supplemental Rent to the Trustee for deposit into the appropriate subaccount of the Reserve Account an amount necessary to cause the moneys in each such subaccount of the Reserve Account to be equal to the Reserve Requirement applicable thereto.

(b) The Trustee is hereby authorized to accept a Reserve Account Letter of Credit/Insurance Policy and any subsequent Reserve Account Letter of Credit/Insurance Policy provided by the Board in satisfaction of the Reserve Requirement for a subaccount

35

of the Reserve Account pursuant to Section 4.03(f) of the Lease Agreement. To the extent necessary to comply with this Section, the Trustee is hereby directed to take any and all actions required to draw on the Reserve Account Letter of Credit/Insurance Policy and any subsequent Reserve Account Letter of Credit/Insurance Policy deposited in the Reserve Account.

(c) Moneys in each subaccount of the Reserve Account shall only be used for the purpose of making up for deficiencies in the subaccount of the Interest Account or Principal Account relating thereto in the event that moneys therein are less than the Interest Component and Principal Component of Basic Rent Payments relating thereto then due on any Payment Date.

(d) If on any Payment Date, the amount of all payments due and payable on a Series of Certificates exceeds the amount on hand in the subaccount of the Interest Account and the Principal Account relating to such Series, taking into account any transfers made from the related subaccount of the Reserve Account which was established for the benefit of such Series pursuant to Sections 6.07(a) and 6.07(b) hereof, the Trustee shall apply the moneys on hand therein first to the payment of all past due interest with respect to such Series of Certificates, and, second, to the payment of that portion of the unpaid principal or Amortization Installment of such Series of Certificate which is then past due, pro rata if necessary.

(e) Whenever the moneys in the Lease Payment Fund for an applicable Series of Certificates, including the corresponding Subaccount of the Reserve Account, if any, shall be sufficient to pay the principal of, Amortization Installments and interest coming due on such Series of Certificates, moneys in the Reserve Account shall be deposited to the appropriate subaccounts of the Interest Account and Principal Account as required to pay such Series of Certificates, and no further Basic Rent Payments shall be required under the Lease Agreement.

(f) If, after the date Certificates are prepaid pursuant to the provisions of Article V and Section 6.08 hereof, the amounts in a subaccount of the Reserve Account established for a Series of Certificates exceed the Reserve Requirement applicable thereto then in effect, adjusted to reflect such redemption, or the Reserve Requirement is decreased for any other reason, the Trustee shall deposit such excess to the subaccount of the Interest Account relating to such Series of Certificates.

SECTION 6.08. PREPAYMENT FUND. The Trustee shall deposit to each account of the Prepayment Fund for prepayment of Certificates secured by each such account in accordance with Article V hereof (a) any amounts deposited by the Board for the purpose of paying the Prepayment Price of all or a portion of such Series of Certificates on an Optional Prepayment Date in accordance with the

36

subaccount of the Reserve Account shall be retained in such subaccount in the event that amounts on deposit in such subaccount are less than the Reserve Requirement applicable thereto. Transfers to the Interest Account of interest and income from investments shall be made by the Trustee prior to each Payment Date, and shall be applied as set forth herein. At the time of deposit of said moneys in the Interest Account, the Trustee shall report the amount of said credit to the Board. All interest and other income derived from investments of each subaccount of the Project Account and each subaccount of the Interest Account shall be retained in such respective subaccounts. All interest or other income derived from investments of each subaccount of the Costs of Issuance Account established for the benefit of a Series of Certificates shall be deposited in the subaccount of the Project Account which was funded by such Series of Certificates. All interest and other income derived from investments of each subaccount of the Principal Account and each account of the Prepayment Fund established for a Series of Certificates shall be deposited in the subaccount of the Interest Account established for such Series of Certificates.

(c) For the purpose of determining the amount on deposit in any fund, account or subaccount, Permitted Investments in which money in such fund, account or subaccount is invested shall be valued at one hundred per centum (100%) of the principal or face amount thereof.

SECTION 6.11. CREDIT AGAINST LEASE PAYMENTS. Not earlier than thirty (30) days and not later than fifteen (15) days prior to each Payment Date, the Trustee shall report to the Board the amount of the credit against Basic Rent Payments available to the Board under the Lease Agreement. Such credit shall be an amount equal to the sum of (a) the amount of interest and other income deposited in each subaccount of the Interest Account pursuant to Section 6.10 hereof since the date of the previous report made by the Trustee pursuant to this Section, (b) the amount of moneys, if any, transferred to the Interest Account and Prepayment Fund pursuant to Section 6.03(g) hereof since the date of the previous report made by the Trustee pursuant to this Section, (c) the amount of moneys, if any, transferred to each subaccount of the Interest Account pursuant to Section 6.07(f) hereof since the date of the previous report made by the Trustee pursuant to this Section, plus (d) the amount, if any, on deposit in each subaccount of the Principal Account and the Interest Account on the date of the report made by the Trustee pursuant to this Section which is not derived from the sources described in clauses (a), (b) and (c) above. In addition to the credit referenced in the preceding sentence, the Trustee and the Corporation acknowledge that, there shall be applied as a credit against Basic Rent Payments payable on a Payment Date an amount equal to the amount then on deposit in each subaccount of the Interest Account representing accrued interest and that the amount in the Reserve Account shall be applied as a credit against

38

Supplemental Trust Agreement pursuant to which such Series of Certificates is authorized to be issued, (b) any amounts remaining in the Project Account and required to be transferred to such account of the Prepayment Fund pursuant to Section 6.03(g) hereof, and (c) any Net Proceeds required to be transferred to such account of the Prepayment Fund pursuant to Section 5.08(d) of the Lease Agreement. Said moneys shall be set aside in such account of the Prepayment Fund solely for the purpose of prepaying the Certificates secured by such account in advance of their maturity and shall be applied to the prepayment at the applicable Prepayment Price of such Certificates being redeemed on such prepayment date. Interest on such prepaid Certificates shall be paid from the subaccount of the Interest Account established for payment of such Certificates, except to the extent moneys for payment of interest were deposited to such account of the Prepayment Fund, in which case it shall be paid from such account of the Prepayment Fund.

SECTION 6.09. NO UNAUTHORIZED TRANSFERS. No amount shall be withdrawn or transferred from or paid out of any fund or account except as expressly provided in this Trust Agreement.

SECTION 6.10. DEPOSIT AND INVESTMENT OF MONEYS IN ACCOUNTS.

(a) All moneys held by the Trustee in any of the funds, accounts or subaccounts established pursuant to this Trust Agreement shall be deposited or invested in Permitted Investments, provided, however, that all moneys in each subaccount of the Reserve Account shall be invested only in Permitted Investments with maturities of not longer than seven (7) years. Prior to termination of the Lease Agreement, the Board, through an Authorized Officer, shall provide the Trustee written instructions with respect to investment of the moneys held hereunder in Permitted Investments and the Trustee shall make investments in accordance with said instructions. In the event the Board does not provide the Trustee with written instructions with respect to investments, the Trustee shall invest such funds in United States Treasury Obligations or in a money market fund qualifying under clauses (4) or (6) of the definition of Permitted Investments and the Trustee shall notify the Board thereof. Permitted Investments of moneys in Pledged Accounts may be modified as they relate to such Pledged Accounts pursuant to the Supplemental Trust Agreement authorizing the establishment of such Pledged Accounts.

(b) All interest and other income received by the Trustee from investment of funds on deposit in each subaccount of the Reserve Account and the Capitalized Interest Account established for the benefit of a Series of Certificates shall, prior to the Completion Date, be deposited in the subaccount of the Project Account which was funded by such Series of Certificates and, after said Date, be deposited in the subaccount of the Interest Account established for such Series of Certificates and be applied as set forth in Section 6.06 hereof; provided, however, that all interest and other income received by the Trustee on investment of a

37

the last Basic Rent Payments as provided in Section 6.07(e) hereof. In the event that the total amount of the credit exceeds the Basic Rent Payment due on the Payment Date following said report, the amount of said excess shall be applied as a credit against the next subsequent Basic Rent Payments.

SECTION 6.12. APPLICATION OF MONEY IN THE REBATE FUND. (a) The Trustee shall be deemed conclusively to have complied with the provisions of this Section and each Letter of Instructions if it follows the directions of the Board and the Corporation, and the Trustee shall have no liability or responsibility to enforce compliance by the Board and the Corporation with the terms of this Section and each such Letter of Instructions. The Trustee shall have no responsibility for calculating the amount required to be rebated to the United States Treasury Department pursuant to the Code, nor shall the Trustee have any responsibility for determining the accuracy of any such amount calculated by any Person.

(b) Any funds remaining in the Rebate Fund, after redemption and payment of all of the Certificates and any amounts required to be paid to the United States, or provision made therefor satisfactory to the Trustee, including accrued interest and payment of any applicable fees to the Trustee and satisfaction of the rebate requirement described in the Letter of Instructions, shall be withdrawn by the Trustee and remitted to the Board.

(c) Upon the Board's written direction, the Trustee shall pay to the United States, out of amounts in the Rebate Fund, the rebate requirement, in the amounts and at the times described in each Letter of Instructions.

(d) In the event that, prior to the time of any required payment out of the Rebate Fund, the amount in the Rebate Fund is not sufficient to make such payment when such payment is due, the Board shall deposit with the Trustee for application to the Rebate Fund an amount equal to such deficiency in the Rebate Fund prior to the time such payment is due. Each payment required to be made pursuant to this subsection shall be made in the manner described in the Letters of Instructions.

(e) Any Letter of Instructions shall be amended from time to time as, in the opinion of Special Counsel, shall be necessary to reflect the current status of the Code in regard to the rebate requirement.

(f) Each Supplemental Trust Agreement authorizing the issuance of a Series of Certificates shall have attached thereto a Letter of Instructions relating to the rebate requirement described herein, unless Special Counsel determines such Letter of Instructions is unnecessary.

39

ARTICLE VII

GENERAL COVENANTS AND REPRESENTATIONS

SECTION 7.01. BOARD TO PERFORM AGREEMENTS. The Board covenants and agrees with the Owners of the Certificates to perform all obligations and duties imposed on it under the Lease Agreement and the Ground Lease(s) to the extent so imposed.

SECTION 7.02. CORPORATION TO PERFORM AGREEMENTS. The Corporation covenants and agrees with the Owners of the Certificates to perform all obligations and duties imposed on it under the Lease Agreement, the Ground Lease(s), the Assignment(s) of Ground Lease and the Assignment of Lease Agreement to the extent so imposed.

SECTION 7.03. NO OBLIGATION WITH RESPECT TO PERFORMANCE BY TRUSTEE. The Corporation and the Board shall not have any obligation or liability to the Owners of the Certificates with respect to the performance by the Trustee of any duty imposed upon it under this Trust Agreement.

SECTION 7.04. NO LIABILITY TO OWNERS FOR PAYMENT. Except as provided in this Trust Agreement, neither the Corporation nor the Trustee shall have any obligation or liability to the Owners of the Certificates with respect to the payment of the Lease Payments by the Board when due, or with respect to the performance by the Board of any other covenants made by it in the Lease Agreement.

SECTION 7.05. COVENANT NOT TO IMPAIR TAX STATUS OF CERTIFICATES. Neither the Corporation nor the Board shall take nor permit nor suffer to be taken nor fail to take any action within its control, or direct the Trustee to take or fail to take any action, which action or failure to act would impair the exclusion, if applicable, from gross income for federal income tax purposes of the Interest Component of the Basic Rent Payment, including the calculation and payment of any rebate necessary to preserve the exclusion, if applicable, from gross income for federal income tax purposes of the Interest Component of the Basic Rent Payment received by the Owners. Neither the Corporation nor the Board shall permit or direct the investment of any proceeds of the Certificates or the Lease Payments by the Trustee in such a manner that would result in the Certificates (other than Taxable Certificates) or the Lease Agreement being characterized as "arbitrage bonds" under Section 148 of the Code. The Trustee, the Corporation and the Board will comply with the provisions of the arbitrage certificate and the exhibits thereto executed by the Board which relates to the issuance of a Series of Certificates. This Agreement shall not be construed to constrain in any manner the ability of the Trustee to sublease, sell or dispose of the Project in the Event of a Default or Event of Non-appropriation

40

under the Lease Agreement. With respect to the obligations of the Trustee pursuant to this Section, the Trustee shall use its best efforts and shall be liable only as a result of gross negligence or willful misconduct.

SECTION 7.06. DIRECTORS, MEMBERS, OFFICERS AND EMPLOYEES OF TRUSTEE, CORPORATION AND BOARD EXEMPT FROM PERSONAL LIABILITY. No recourse shall be had for the obligations specified hereunder, under the Certificates or under the Lease Agreement or for any claim based hereon or thereon or upon any representation, obligation, covenant or agreement in this Trust Agreement or the Certificates or the Lease Agreement against any past, present or future officer, vendor, employee, director or agent of the Trustee, the Corporation or the Board as such, either directly or through the Trustee, the Corporation or the Board, or any successor thereto under any statute or rule of law or equity, statute or constitution or by the enforcement or any assessment or penalty or otherwise, and all such liability of any such officers, members, employees, directors or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of this Trust Agreement, the Lease Agreement and the issuance of the Certificates.

SECTION 7.07. CORPORATION OBLIGATIONS FOR PROJECTS. (a) Pursuant to the terms of the Lease Agreement and except as provided in Section 4.07(b) thereof, the Corporation shall have title to the Projects, other than Designated Equipment, subject to the rights of the Board under the Lease Agreement. In consideration of the issuance of the Certificates, the Corporation agrees that if an Event of Default described in Section 8.01(e) hereof occurs and the Lease Agreement shall be terminated, it shall, at the request of the Trustee, take all actions necessary in order to fully transfer title of and to all or a portion of the Projects to the Trustee, except as otherwise provided in Section 4.07(b) of the Lease Agreement with respect to Designated Equipment. The Corporation shall be required to transfer title only to the Projects or portions thereof to which it has title at the time of such request. The Corporation shall provide the Trustee with all instruments necessary to evidence such transfer of title. In accordance with the terms of Section 8.03 hereof and except as provided in Sections 4.07(b) and 7.03(b) of the Lease Agreement, the Trustee may sell, re-let or otherwise dispose of the Projects if an Event of Default described in Section 8.01(e) hereof occurs and the Lease Agreement shall be terminated as provided in Section 8.03 hereof. The proceeds from the exercise of any such remedies shall be used as provided in Section 8.04 hereof. If the Board relinquishes possession of the Projects pursuant to the Lease Agreement subsequent to an Event of Default described in Section 8.01(e) hereof, the Corporation hereby agrees that the Trustee shall take possession of the Projects and shall have complete authority over the disposition of the Projects in accordance with the terms hereof, of the Lease Agreement, of the Assignment of Ground

41

Lease(s) and of the Ground Lease(s). The Corporation will promptly comply with all directions of the Trustee in regard to such disposition. As a condition to the acceptance by the Trustee of possession of the Project the Trustee shall have the right to receive from the Board such assurances, reports and opinions as to the absence of hazardous substances and such other environmental matters with respect to the Projects as the Trustee may reasonably request.

(b) The Board and Corporation agree that they shall not place any lien or encumbrance on the Projects, except Permitted Encumbrances. In addition, the Corporation shall not join in or consent to the sale or re-letting of the Projects, or any portion thereof, except as may be directed by the Trustee or as shall be required by the terms of the Lease Agreement, the Assignment(s) of Ground Lease(s) or Ground Lease(s).

42

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

SECTION 8.01. EVENTS OF DEFAULT. Each of the following events is hereby declared an Event of Default under the Trust Agreement:

(a) Payment of any installment of interest on any Certificate shall not be made by the Board when the same shall become due and payable; or

(b) Payment of the principal, Amortization Installment or the redemption premium, if any, of any Certificate shall not be made by the Board when the same shall become due and payable whether at maturity or by proceedings for mandatory redemption or otherwise; or

(c) Default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in this Trust Agreement or any Supplemental Trust Agreement and such default shall continue for thirty (30) days (or such further time as may be granted in writing by the Trustee with the consent of the Credit Enhancer) after receipt by the Board and the Corporation of a written notice from the Trustee or the Credit Enhancer specifying such default and requiring the same to be remedied; or

(d) Payment of any amounts owing a Credit Bank in regard to a reimbursement agreement relating to its Credit Facility shall not be made when the same shall become due and payable; or

(e) An "Event of Default" or "Event of Non-Appropriation" shall have occurred under the Lease Agreement, and, in the case of such "Event of Default," it shall not have been remedied or waived.

In determining whether a default described in Section 8.01(a) or 8.01(b) has occurred, no effect shall be given to payments made by an Insurer under its municipal bond insurance policy.

SECTION 8.02. ACCELERATION OF MATURITIES. Upon the happening and continuance of any Event of Default specified in Section 8.01 hereof and only subsequent to the termination of the Lease Agreement, the Trustee, in regard to each Series of Certificates, may, and upon the written request of the Owners of not less than a majority in aggregate principal amount of a Series of Certificates then Outstanding, by notice in writing to the Board and the Corporation, shall declare the principal of all Certificates of such Series then Outstanding (if not then due and payable) to be due and payable immediately, and upon such declaration the same shall become and be immediately due and payable, anything contained

43

in the Certificates or in this Trust Agreement to the contrary notwithstanding; provided, however, that any Series of Certificates which are insured as to payment by an insurer may be accelerated only with the written consent or at the direction of such insurer (if such insurer is not in payment default under its municipal bond insurance policy); provided, further, that if at any time after the principal of a Series of Certificates shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under this Trust Agreement, moneys shall have accumulated in or shall have been paid into the Lease Payment Fund sufficient to pay the principal of all matured Certificates and all arrears of interest, if any, upon all Certificates then Outstanding (except the principal of any Certificate not then due and payable by its terms and the interest accrued on such since the last interest payment date), and the charges, compensations, expenses, disbursements, advances and liabilities of the Trustee and all other amounts then payable by the Board under the Lease Agreement shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee, and every other default known to the Trustee in the observance or performance of any covenant, condition or agreement contained in the Certificates or in this Trust Agreement (other than a default in the payment of the principal of such Certificates then due only because of a declaration under this Section) shall have been remedied to the satisfaction of the Trustee, then and in every such case the Trustee may, and upon the written request of the Owners of not less than a majority in aggregate principal amount of Certificates not then due and payable by their terms (Certificates then due and payable only cause of a declaration under this Section shall not be deemed to be due and payable by their terms) and then Outstanding shall, by written notice to the Board and the Corporation, rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to or affect any subsequent Event of Default hereunder or impair any right consequent thereon.

SECTION 8.03. ENFORCEMENT OF REMEDIES. (a) Upon the happening and continuance of any Event of Default specified in Section 8.01 hereof, then and in every such case the Trustee may proceed, and upon the written request of (i) the Insurer of such Certificates (if such insurer is not in payment default under its municipal bond insurance policy) or (ii) the Owners of not less than a majority in aggregate principal amount of Certificates then Outstanding and the Insurer of such Certificates (if such insurer is not in payment default under its municipal bond insurance policy), shall proceed, subject to the provisions of Sections 9.02 and 8.14 of this Trust Agreement, to protect and enforce its rights and the rights of the Owners under the laws of the State, under this Trust Agreement, the Lease Agreement or the Ground Lease(s) by such suits, actions or special proceedings in equity or at law, or

44

and damages collected in connection therewith, and all moneys in the Pledged Accounts relating thereto (amounts in a subaccount of the Project Account for such Project may, at the discretion of the Trustee, be retained in such subaccount to continue payment of the acquisition and construction of such Project) into a special account established for the sole benefit of the Owners of the Series of Certificates which financed or refinanced such Project and shall apply moneys in such special account as follows:

(i) If the principal of such Series of Certificates shall not have become or shall not have been declared due and payable, all such money in the special account established for such Series shall be applied:

First: to the payment to the Persons entitled thereto of all installments of interest on such Series of Certificates then due and payable in the order in which such installments became due and payable and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment, ratably according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in such Series of Certificates;

Second: to the payment to the Persons entitled thereto of the unpaid principal of any Certificates of such Series that shall have become due and payable, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full the principal of Certificates of such Series due and payable on any particular date, then to the payment ratably according to the amount of such principal due on such date, to the Persons entitled thereto without any discrimination or preference;

Third: to the payment of the interest on and the principal of such Series of Certificates, to the purchase and retirement of such Series of Certificates, and to the redemption of such Series of Certificates, all in accordance with the provisions hereof;

Fourth: to the payment of any amounts owed and unpaid the Credit Bank for such Series or under the reimbursement agreement relating to the Credit Facility for such Series;

Fifth: to the payment of any amounts owing in regard to Ground Leases relating to such Series; and

Sixth: to the payment of any surplus moneys to the Board.

46

by proceedings in the office of any board or officer having jurisdiction, either for the specific performance of any covenant or agreement contained herein or in aid of execution of any power herein granted or for the enforcement of any proper legal or equitable remedy, as the Trustee, being advised by counsel chosen by the Trustee, shall deem most effectual to protect and enforce such rights. The Trustee may also exercise all remedies it or the Corporation may have under law and under the Trust Agreement, the Lease Agreement, and any Ground Lease(s) and any mortgage or security interest relating to a Project.

(b) In the enforcement of any remedy under this Trust Agreement, the Trustee shall be entitled to sue for, enforce payment of and receive any and all amounts then or during any Event of Default hereunder becoming and remaining due from the Board for principal, interest or otherwise under any of the provisions of this Trust Agreement or of the Certificates, together with interest on overdue payments of principal at the Overdue Rate and all reasonable costs and expenses of collection and of all proceedings hereunder, without prejudice to any other right or remedy of the Trustee or of the Owners and to recover and enforce any judgment or decree against the Corporation, but solely as provided herein, for any portion of such amounts remaining unpaid and interest, costs and expenses as above provided, and to collect (but solely from money available for such purposes), in any manner provided by law, the money adjudged or decreed to be payable.

(c) As provided in Section 7.07 hereof and subject to the limitations thereof relating to Designated Equipment, the Trustee, upon an Event of Default described in Section 8.01(e) hereof and the termination of the Lease Agreement, may take possession of and title to the Projects, or any portion thereof, and it shall, if the Board relinquishes possession of the Projects pursuant to the Lease Agreement subsequent to an Event of Default described in Section 8.01(e) hereof, take possession of the Projects, in accordance with the provisions of Section 7.07 hereof and of the Ground Lease(s). Upon taking possession of the Projects the Trustee is authorized to sell, re-let or otherwise dispose of each Project, or any portion thereof, for the benefit of the Owners of the Series of Certificates which financed or refinanced each such Project.

SECTION 8.04. PRO-RATA APPLICATION OF FUNDS. (a) Anything in this Trust Agreement to the contrary notwithstanding, if at any time the money in the Lease Payment Fund shall not be sufficient to pay the interest on or the principal of the Certificates as the same shall become due and payable (either by their terms or by acceleration of maturities under the provisions of Section 8.02 hereof), the Trustee, subsequent to payment of all costs and expenses relating to collection of such moneys and fees and expenses of the Trustee, including reasonable fees and expenses of Trustee's Counsel, shall deposit all moneys derived from the sale, re-letting or other disposition of each Project, including moneys

45

(ii) If the principal of such Series of Certificates shall have become or shall have been declared due and payable, all such money in the special account established for such Series shall be applied to the payment of principal and interest then due upon such Series of Certificates (or, in the case of Capital Appreciation Certificates, the Accredited Value thereof) without preference or priority of principal over interest or interest over principal, or of any installment of interest over any other installment of interest or any such Certificate over any other such Certificate ratably, according to the amounts due respectively for principal and interest, to the Persons entitled thereto, without any discrimination or preference and then to the payment of any amounts owed and unpaid the Credit Bank for such Series or under the reimbursement agreement relating to the Credit Facility for such Series, and then to the payment of any amounts owing in regard to Ground Leases relating to such Series. Any surplus moneys shall be paid to the Board.

(iii) If the principal of such Series of Certificates shall have been declared due and payable and if such declaration shall thereafter have been rescinded and annulled under the provisions of Section 8.02 hereof, then, subject to the provisions of paragraph (a)(i) of this Section in the event that the principal of such Series of Certificates shall later become due and payable or be declared due and payable, the money then remaining in and thereafter accruing to the special account established for such Series shall be applied in accordance with the provisions of paragraph (a)(i) of this Section.

(b) Whenever money is to be applied by the Trustee pursuant to the provisions of this Section and, subject to any direction given by a Credit Enhancer pursuant to Section 8.14 hereof, such money shall be applied by the Trustee at such times and from time to time, as the Trustee in its sole discretion shall determine, having due regard for the amount of such money available for such application and the likelihood of additional money becoming available for such application in the future; the setting aside of such money, in trust for the proper purpose, shall constitute proper application by the Trustee, and the Trustee shall incur no liability whatsoever to the Corporation, the Board, to any Owner or to any other Person for any delay in applying any such money so long as the Trustee acts with reasonable diligence, having due regard for the circumstances, and ultimately applies the same in accordance with such provisions of this Trust Agreement as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such money, it shall fix the date (which shall be a Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue.

47

The Trustee shall give notice by first class mail, postage prepaid, to all Owners of the fixing of any such date, and shall not be required to make payment to the Owner of any Certificates until such Certificates shall be surrendered to the Trustee for cancellation if fully paid.

SECTION 8.05. EFFECT OF DISCONTINUANCE OF PROCEEDINGS. If any proceeding taken by the Trustee or Owners on account of any Event of Default hereunder shall have been discontinued or abandoned for any reason, then and in every such case, the Corporation, the Board, each Credit Enhancer, the Trustee and the Owners shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no proceeding had been taken.

SECTION 8.06. CONTROL OF PROCEEDINGS BY OWNERS. The Owners of a majority in aggregate principal amount of each Series of Certificates then Outstanding shall have the right, subject to the provisions of Sections 8.14 and 9.02 of this Trust Agreement, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee hereunder in regard to such Series, provided that such direction shall be in accordance with law and the provisions of this Trust Agreement and the Lease Agreement.

SECTION 8.07. RESTRICTIONS UPON ACTIONS BY INDIVIDUAL OWNERS. Except as provided in Section 8.13 of this Trust Agreement, no Owner shall have any right to institute any suit, action or proceeding in equity or at law on any Certificate or for the execution of any trust hereunder or for any other remedy hereunder unless such Owner previously shall have given to the Trustee written notice of the Event of Default on account of which such suit, action or proceeding is to be instituted, and unless also the Owners of not less than a majority in aggregate principal amount of Certificates then Outstanding of the Series of which such Owner belongs shall have made a written request of the Trustee after the right to exercise such powers or right of action as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers hereinabove granted or to institute such action, suit or proceedings in its or their name, and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time. Such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Trust Agreement or to any other remedy hereunder. It is understood and intended that, except as otherwise above provided, no one or more

48

Event of Default shall be granted without obtaining the prior written consent of each Credit Enhancer so affected thereby.

SECTION 8.12. NOTICE OF DEFAULT. (a) The Trustee shall mail to all Owners at their addresses as they appear on the Certificate Register written notice of the occurrence of any Event of Default set forth in Section 8.01 hereof within thirty (30) days after the Trustee shall have notice of the same; provided that, except upon the happening of an Event of Default specified in clauses (a) and (b) of Section 8.01 of this Trust Agreement, the Trustee may withhold such notice to the Owners if in its opinion such withholding is in the interest of the Owners; and provided, further, that the Trustee shall not be subject to any liability to any Owner by reason of its failure to mail any such notice.

(b) The Trustee shall mail to each Credit Enhancer written notice of the occurrence of any Event of Default set forth in Section 8.01 hereof within five (5) Business Days after the Trustee shall have notice of the same.

(c) Upon the occurrence and continuance of an Event of Default or Event of Non-Appropriation, the Trustee shall provide each Credit Enhancer with access to the Certificate Register for the Series of Certificates for which it provides credit enhancement for purposes of inspection and copying the same.

SECTION 8.13. RIGHT TO ENFORCE PAYMENT OF CERTIFICATES UNIMPAIRED. If the Trustee shall fail to take actions required of it pursuant to this Section, nothing in this Article shall affect or impair the right of any Owner to enforce the payment of the principal of and interest on his Certificate or the obligation to pay the principal of and interest on each Certificate to the Owner thereof at the time and place in said Certificate expressed.

SECTION 8.14. CONTROL BY INSURER OR CREDIT BANK. Any provision hereunder or under the Lease Agreement or Ground Lease to the contrary notwithstanding, upon the occurrence and continuance of an Event of Default, the Credit Enhancer for a Series of Certificates, if such Credit Enhancer, shall not be in payment default under its municipal bond insurance policy or Credit Facility, as the case may be, shall be deemed to be the sole owner of such Certificates for purposes of (a) directing and controlling the enforcement of all rights and remedies with respect to such Series of Certificates, including any waiver of an Event of Default and removal of the Trustee, and (b) exercising any voting right or privilege or giving any consent or direction or taking any other action that the Owners of such Certificates are entitled to take pursuant to Articles VIII or IX hereof. No provision expressly recognizing or granting rights in or to a Credit Enhancer shall be modified without the consent of such Credit Enhancer. A Credit Enhancer's rights under this Section 8.14 shall be suspended during any period in which such Credit Enhancer is in default in its

50

Owners shall have any right in any manner whatsoever by his or their action to affect, disturb or prejudice the security of this Trust Agreement, or to enforce any right hereunder except in the manner provided, that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the benefit of all Owners and that any individual rights of action or other right given to one or more of such Owners by law are restricted by this Trust Agreement to the rights and remedies herein provided.

SECTION 8.08. APPOINTMENT OF A RECEIVER. Upon the occurrence of an Event of Default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Owners under this Trust Agreement, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers for the Projects with such powers as the court making such appointments shall confer.

SECTION 8.09. ENFORCEMENT OF RIGHTS OF ACTION. All rights of action (including the right to file proof of claim) under this Trust Agreement or under any Certificates may be enforced by the Trustee without the possession of any Certificates or the production thereof in any proceedings relating thereto, and any such suit or proceedings instituted by the Trustee shall be brought in its name as Trustee, without the necessity of joining as plaintiffs or defendants any Owners hereby secured, and any recovery of judgment shall be for the equal benefit of the Owners.

SECTION 8.10. NO REMEDY EXCLUSIVE. No remedy herein conferred upon or reserved to the Trustee, a Credit Enhancer or to the Owners is intended to be exclusive of any other remedy or remedies herein provided, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity.

SECTION 8.11. WAIVERS. No delay or omission by the Trustee or of any Owner in the exercise of any right or power occurring upon any Event of Default hereunder shall impair any such right or power or shall be construed to be a waiver of any such Event of Default hereunder or any acquiescence therein; and every power or remedy given by this Trust Agreement to the Trustee and to the Owners may be exercised from time to time and as often as may be deemed expedient. The Trustee may, and upon written request of the Owners of not less than a majority in principal amount of the Certificates then Outstanding, shall waive any Event of Default which shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions of this Trust Agreement or before the completion of the enforcement of any rights of the Trustee hereunder, but such waiver shall not waive any subsequent Event of Default hereunder or impair any rights or remedies consequent thereon. Anything in this Section 8.11 to the contrary notwithstanding, no waiver of any

49

payment obligations under its municipal bond insurance policy or Credit Facility, as applicable (except to the extent of amounts previously paid by such Credit Enhancer and due and owing to such Credit Enhancer) and shall be of no force or effect if its municipal bond insurance policy or other Credit Facility is no longer in effect or if the Credit Enhancer asserts that its municipal bond insurance policy or Credit Facility is not in effect or if the Credit Enhancer waives such rights in writing. The rights granted to a Credit Enhancer under this Section 8.14 are granted in consideration of the Credit Enhancer issuing its municipal bond insurance policy or Credit Facility. Any exercise of such contractual rights by a Credit Enhancer shall be deemed to be taken for the benefit of any Certificate Owners and shall not evidence such Credit Enhancer's position as to whether any Certificate Owner's consent is required.

51

ARTICLE IX
CONCERNING THE TRUSTEE

SECTION 9.01. ACCEPTANCE OF DUTIES. (a) The Trustee by execution hereof accepts and agrees to fulfill the trusts imposed upon it by this Trust Agreement, but only upon the terms and conditions set forth in this Article and subject to the provisions of this Trust Agreement. Prior to the occurrence of any Event of Default hereunder and after the curing of all such Events of Default that may have occurred, the Trustee shall perform such duties and only such duties of the Trustee as are specifically set forth in this Trust Agreement. During the existence of any such Event of Default that has not been cured the Trustee shall exercise any of the rights and powers vested in it by this Trust Agreement. At all times the Trustee shall use the same degree of care and skill in their exercise as a prudent Person would exercise or use under the circumstances in the conduct of such Person's own affairs.

(b) No provision of this Trust Agreement, any Certificate, the Lease Agreement or the Assignment of Lease Agreement shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(i) Unless an Event of Default shall have occurred and be continuing:

(A) the duties and obligations of the Trustee shall be determined solely by the express provisions of this Trust Agreement, the Lease Agreement and the Assignment of Lease Agreement, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Trust Agreement, the Lease Agreement and the Assignment of Lease Agreement, and no implied covenants or obligations shall be read into this Trust Agreement, the Lease Agreement or the Assignment of Lease Agreement against the Trustee, and

(B) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the accuracy of the statements and the correctness of the opinions expressed therein, upon any certificate or opinion furnished to it by the Board and the Corporation conforming to the requirements of this Trust Agreement, the Lease Agreement or the Assignment of Lease Agreement, but in the case of any such certificate or opinion by which any provision hereof is specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the

52

outlays and reasonable counsel fees and other reasonable disbursements, and against all liability. The Trustee nevertheless may, in its sole discretion, but is not required to, begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as such Trustee, without indemnity, and in such case the Trustee shall be entitled to reimbursement from any money in its possession under the provisions of this Trust Agreement and shall be entitled to a preference therefor over any Certificates Outstanding hereunder.

SECTION 9.03. LIMITATIONS ON OBLIGATIONS AND RESPONSIBILITIES OF TRUSTEE. The Trustee shall be under no obligation to effect or maintain insurance or to renew any policies of insurance or to inquire as to the sufficiency of any policies of insurance carried by the Board or the Corporation, or to report, or make or file claims or proof of loss for, any loss or damage insured against or that may occur, or to keep itself informed or advised as to the payment of any taxes or assessments, or to require any such payment to be made. Except as to the acceptance of the trusts by its due execution of this Trust Agreement, the Trustee shall have no responsibility in respect of the validity, sufficiency, due execution or acknowledgment of this Trust Agreement by the other parties hereto, or in respect of the validity of Certificates (other than the due execution and delivery thereof in accordance with the terms hereof). The Trustee shall be under no obligation to see that any duties herein imposed upon the Corporation, the Board, any depository other than a Trustee as depository, or any party other than itself, or any covenants herein contained on the part of any party other than itself to be performed, shall be done or performed, and the Trustee shall be under no obligation for failure to see that any such duties or covenants are so done or performed.

SECTION 9.04. TRUSTEE NOT LIABLE FOR FAILURE OF CORPORATION OR BOARD TO ACT. The Trustee shall not be liable or responsible because of the failure of the Corporation or the Board or of any of its employees or agents to make any collections or deposits or to perform any act herein required of the Corporation or the Board or because of the loss of any money arising through the insolvency or the act or default or omission of any depository other than a Trustee depository in which such money shall have been deposited under the provisions of this Trust Agreement. The Trustee shall not be responsible for the application of any of the proceeds of Certificates or any other money deposited with it and paid out, withdrawn or transferred hereunder if such application, payment, withdrawal or transfer shall be made in accordance with the provisions of this Trust Agreement. The immunities and exemptions from liability of the Trustee hereunder shall extend to its directors, officers, employees and agents.

SECTION 9.05. COMPENSATION AND INDEMNIFICATION OF TRUSTEE. Subject to the provisions of any contract between the Corporation,

54

same to determine whether or not it conforms to the requirements of this Trust Agreement, the Lease Agreement or the Assignment of Lease Agreement, and

(ii) At all times, regardless of whether or not any such Event of Default shall exist:

(A) the Trustee shall not be liable for any error of judgment made in good faith by a responsible officer or officers of the Trustee unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(B) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners as provided in Article VIII hereof, relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any power conferred upon the Trustee under this Trust Agreement and the Lease Agreement; and

(C) the Trustee may consult with counsel and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder and in good faith and reliance thereon.

(c) None of the provisions contained in this Trust Agreement, the Lease Agreement or the Assignment of Lease Agreement shall require the Trustee to expend or risk its own funds or otherwise incur individual financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.

(d) Notwithstanding any other provision of this Trust Agreement, in determining whether the rights of the Owners of the Certificates will be adversely affected by any action taken pursuant to the terms and provisions of this Trust Agreement, the Trustee shall consider the effect on the Owners of the Certificates as if there were no municipal bond insurance policy or Credit Facility.

SECTION 9.02. INDEMNIFICATION OF TRUSTEE AS CONDITION FOR REMEDIAL ACTION. The Trustee shall be under no obligation to institute any suit or to take any remedial proceeding in the Event of a Default under this Trust Agreement or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of any of the trusts hereby created or in the enforcement of any rights and powers hereunder, including, without limitation, its acceptance or possession of a Project or any component thereof, until it shall be indemnified to its satisfaction against any and all reasonable costs, expenses,

53

the Board and the Trustee relating to the compensation of the Trustee, the Corporation shall pay or cause the Board to pay to the Trustee reasonable compensation for all services performed by it hereunder and also all its reasonable expenses, charges and other disbursements and those of its attorneys, agents and employees incurred in and about the administration and the performance of its powers and duties hereunder and shall, to the extent permitted by applicable law, indemnify and save the Trustee harmless against any liabilities that it may incur in the proper exercise and performance of its powers and duties hereunder and under the Lease Agreement.

SECTION 9.06. MONTHLY STATEMENTS FROM TRUSTEE. (a) It shall be the duty of the Trustee, by the 25th day of each month, to file with the Board a statement setting forth in respect of the preceding one-month period:

(i) the amount withdrawn or transferred by it and the amount deposited with it on account of each fund, account or subaccount held by it under the provisions of this Trust Agreement,

(ii) the amount on deposit with it at the end of such period in each such fund, account or subaccount,

(iii) a brief description of all obligations held by it as an investment of money in each such fund, account or subaccount,

(iv) the amount applied to the purchase or redemption of Certificates under the provisions of Article V of this Trust Agreement and a description of the Certificates or portions thereof so purchased or redeemed, and

(v) any other information that the Board may reasonably request.

(b) In addition, on each anniversary date of the issuance of the Certificates the Trustee shall file with the Board any information requested by the Board as necessary to determine the Rebutable Arbitrage as set forth in Letters of Instructions.

(c) All records and files pertaining to Certificates, the Corporation and the Board in the custody of the Trustee shall be open at all reasonable times to the inspection of the Board, the Corporation and their agents and representatives.

SECTION 9.07. TRUSTEE MAY RELY ON CERTIFICATES. If at any time it shall be necessary or desirable for the Trustee to make any investigation respecting any fact preparatory to taking or not taking any action or doing or not doing anything as such Trustee, and in any case in which this Trust Agreement provides for

55

permitting or taking any action, the Trustee may rely upon any certificate required or permitted to be filed with it under the provisions of this Trust Agreement, and any such certificate shall be evidence of such fact or protect the Trustee in any action that it may or may not take or in respect of anything it may or may not do, in good faith, by reason of the supposed existence of such fact. Except as otherwise provided in this Trust Agreement, any request, notice, certificate or other instrument from the Corporation or the Board to the Trustee shall be deemed to have been signed by the proper party or parties if signed by any Authorized Officer of the Corporation or the Board, as the case may be, and the Trustee may accept and rely upon a certificate signed by any such representative as to any action taken by the Corporation or the Board.

SECTION 9.08. TRUSTEE MAY PAY TAXES AND ASSESSMENTS. In case the Corporation or the Board shall fail to pay or cause to be paid any tax, assessment or governmental or other charge payable on the part of the Board or the Corporation relating to the Lease Agreement to the extent, if any, that the Board or the Corporation may be deemed by the Trustee liable for same, the Trustee, subject to Section 9.01(c) hereof, may pay such tax, assessment or governmental charge, without prejudice, however, to any rights of the Trustee or the Owners hereunder arising in consequence of such failure; and any amount at any time so paid under this Section shall be repaid upon demand by the Trustee by the Corporation from funds made available by the Board, but the Trustee shall be under no obligation to make any such payment from sources provided in the Trust Agreement unless it shall have available or be provided with adequate funds for the purpose of such payment.

SECTION 9.09. CERTAIN RIGHTS OF THE TRUSTEE. Subject to the provisions of Section 9.01 hereof, the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys.

SECTION 9.10. RESIGNATION AND REMOVAL OF TRUSTEE SUBJECT TO APPOINTMENT OF SUCCESSOR. No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under Section 9.14.

SECTION 9.11. RESIGNATION OF TRUSTEE. Subject to the provisions of Section 9.10, the Trustee may resign and thereby become discharged from the trusts hereby created, by notice in writing given to the Board and the Corporation, and mailed, postage prepaid, at the Trustee's expense, to each Owner, not less than sixty (60) days before such resignation is to take effect, but such resignation shall take effect immediately upon the appointment of a new Trustee hereunder if such new Trustee shall be appointed before the time limited by such notice and shall then accept the trusts hereof. No resignation shall take effect until a successor

56

Trustee is required by operation of law, provided that such vendee, assignee or transferee is (i) a bank or trust company within the State which is duly authorized to exercise corporate trust powers and subject to examination by federal or State authority, (ii) of good standing, and (iii) having, or its parent having, a combined capital, surplus and undivided profits aggregating not less than Fifty Million Dollars (\$50,000,000) or if otherwise approved by the Board. The Board shall mail notice of any such appointment made by it, postage prepaid, to all Owners and each Credit Enhancer.

(b) At any time within one (1) year after any such vacancy shall have occurred, the Owners of not less than twenty-five percent (25%) in principal amount of Certificates then Outstanding, by an instrument or concurrent instruments in writing, executed by such Owners and filed with the Board, may nominate a successor Trustee, which the Board shall appoint and which shall supersede any Trustee theretofore appointed by the Board. Photostatic copies, duly certified by the Superintendent of the Board as having been received by the Board, of each such instrument shall be delivered promptly by the Board to the predecessor Trustee and to the Trustee so appointed by the Owners.

(c) If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section, any Owner hereunder or any retiring Trustee may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

(d) Any successor Trustee hereafter appointed shall be (i) a bank or trust company within the State which is duly authorized to exercise corporate trust powers and subject to examination by federal or State authority, (ii) of good standing, and (iii) having, or its parent having, a combined capital, surplus and undivided profits aggregating not less than Fifty Million Dollars (\$50,000,000) or if otherwise approved by the Board.

SECTION 9.14. VESTING OF DUTIES IN SUCCESSOR TRUSTEE. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor, and also to the Board, an instrument in writing accepting such appointment hereunder, and thereupon such successor Trustee, without any further act, shall become fully vested with all the rights, immunities and powers, and subject to all the duties and obligations, of its predecessor; but such predecessor shall nevertheless, on the written request of its successor or of the Board and upon payment of the expenses, charges and other disbursements of such predecessor that are payable pursuant to the provisions of Section 9.05 hereof, execute and deliver an instrument transferring to such successor Trustee all the rights, immunities and powers of such predecessor hereunder; and every predecessor Trustee shall deliver all property and money held by it hereunder to its successor. Should any instrument in

58

Trustee has been appointed pursuant to the terms hereof. Each Credit Enhancer shall receive notice of such resignation.

SECTION 9.12. REMOVAL OF TRUSTEE. (a) The Trustee may be removed at any time by the Board for cause (provided an Event of Default described in Section 8.01(e) hereof has not occurred and has not been cured), or by an instrument or concurrent instruments in writing, executed by the Owners of not less than a majority in aggregate principal amount of Certificates then Outstanding and filed with the Board, not less than sixty (60) days before such removal is to take effect as stated in said instrument or instruments. A photostatic copy of any instrument or instruments filed with the Board under the provisions of this paragraph, duly certified by the Superintendent of the Board as having been received by the Board, shall be delivered promptly to the Trustee.

(b) The Trustee may also be removed at any time for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provisions of this Trust Agreement with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the Owners of not less than twenty-five percent (25%) in aggregate principal amount of Certificates then Outstanding.

(c) The removal of a Trustee shall not become effective until a successor Trustee has been appointed pursuant to the terms hereof.

(d) The Trustee may be removed at any time, at the request of a Credit Enhancer of a majority of the Outstanding Certificates hereunder, with the consent of the Board, provided, that the Credit Enhancer is not in default of its payment obligations under its municipal bond insurance policy or Credit Facility.

(e) Upon the occurrence of an Event of Default as described in Section 8.01 hereof, and such Event of Default is continuing and has not been waived, the Credit Enhancer may remove the Trustee at any time, provided the Credit Enhancer is not in default of its payment obligations under its municipal bond insurance policy or other Credit Facility.

SECTION 9.13. APPOINTMENT OF SUCCESSOR TRUSTEE. (a) If at any time hereafter the Trustee shall resign, be removed, be dissolved or otherwise become incapable of acting, or the bank or trust company acting as Trustee shall be taken over by any governmental official, agency, department or board, the position of Trustee shall thereupon become vacant. If the position of Trustee shall become vacant for any reason, the Board shall appoint a Trustee to fill such vacancy. A successor Trustee shall not be required if the Trustee shall sell or assign substantially all of its trust business and the vendee or assignee shall continue in the trust business, or if a transfer of the trust department of the

57

writing from the Board be required by any successor Trustee for more fully and certainly vesting in such Trustee the rights, immunities, powers and trusts hereby vested or intended to be vested in the predecessor Trustee, any such instrument in writing shall and will, on request, be executed, acknowledged and delivered by the Board.

59

ARTICLE X

EXECUTION OF INSTRUMENTS BY OWNERS, PROOF OF OWNERSHIP OF CERTIFICATES, AND DETERMINATION OF CONCURRENCE OF OWNERS

SECTION 10.01. EXECUTION OF INSTRUMENTS BY OWNERS. (a) Any request, direction, consent or other instrument in writing required or permitted by this Trust Agreement to be signed or executed by any Owner may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Owners or their attorneys or legal representatives. Proof of the execution of any such instrument and of the ownership of Certificates shall be sufficient for any purpose of this Trust Agreement and shall be conclusive in favor of the Trustee, the Board and the Corporation with regard to any action taken by either under such instrument if made in the following manner:

(i) The fact and date of the execution by any Person of any such instrument may be proved by the verification of any officer in any jurisdiction who, by the laws thereof, has power to take affidavits within such jurisdiction, to the effect that such instrument was subscribed and sworn to before him, or by an affidavit of a witness to such execution. Where such execution is on behalf of a Person other than an individual, such verification or affidavit shall also constitute sufficient proof of the authority of the signer thereof.

(ii) The ownership of Certificates shall be proved by the registration books kept under the provisions of this Trust Agreement.

(b) Nothing contained in this Article shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters herein stated which it may deem sufficient. Any request or consent of any Owner shall bind every future Owner of the same Certificate in respect of anything done by the Trustee in pursuance of such request or consent.

(c) Notwithstanding any of the foregoing provisions of this Section, the Trustee shall not be required to recognize any Person as an Owner or to take any action at his request unless such Certificates shall be deposited with it.

60

(h) To provide for the issuance of Certificates, including Completion Certificates and Refunding Certificates, or

(i) To provide, in regard to a Series of Certificates, for the addition, modification or deletion of any of the provisions in Section 6.03 relating to conditions which shall be necessary in order to draw moneys from a subaccount of the Project Account, or

(j) To make any other modifications hereto which in the opinion of the Trustee, who may rely upon a written opinion of Special Counsel, shall not materially adversely affect the Owners.

(k) To determine how, when and what information concerning the Board, the Corporation, the Credit Enhancer and the Certificates should be disclosed by the Trustee to the Owners and the investment community in accordance with published guidelines.

SECTION 11.02. MODIFICATION OF TRUST AGREEMENT WITH CONSENT OF OWNERS AND CREDIT ENHANCERS. (a) Subject to the terms and provisions contained in this Section, and not otherwise, the Owners of not less than a majority of the aggregate principal amount of Certificates then outstanding shall have the right, from time to time, anything contained in this Trust Agreement to the contrary notwithstanding, to consent to and approve the execution by the Corporation, the Board and the Trustee of such Supplemental Trust Agreement or Supplemental Trust Agreements as shall be deemed necessary or desirable by the Corporation and the Board for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Trust Agreement; provided, however, that nothing herein contained shall permit, or be construed as permitting (i) an extension of the maturity of the principal of or the interest on any Certificates issued hereunder, or (ii) a reduction in the principal amount of any Certificates or the prepayment premium or the rate of interest thereon, or (iii) a preference or priority of any Certificate over any other Certificate, except as provided herein, or (iv) a reduction in the aggregate principal amount of Certificates required for consent to such Supplemental Trust Agreement. For purposes of making amendments made pursuant to this Section 11.02, Owners of Certificates which will no longer be Outstanding at the time the Supplemental Trust Agreement takes effect or which are not adversely affected by such Supplemental Trust Agreement shall not have any rights of consent hereunder. Each Supplemental Trust Agreement entered into pursuant to this Section must be consented to by each Credit Enhancer which is affected thereby. Nothing contained in this Section 11.02, however, shall be construed as making necessary the approval by the Owners of the adoption and acceptance of any Supplemental Trust Agreement as authorized in Sections 11.01 and 11.03 hereof.

(b) If at any time the Corporation and the Board shall request the Trustee to enter into any Supplemental Trust Agreement

62

ARTICLE XI

SUPPLEMENTAL TRUST AGREEMENTS

SECTION 11.01. SUPPLEMENTAL TRUST AGREEMENTS WITHOUT CONSENT OF OWNERS AND CREDIT ENHANCERS. The Corporation, the Board and the Trustee, from time to time and at any time, may enter into Supplemental Trust Agreements, without the consent of the Owners of the Certificates or any Credit Enhancers, for the following purposes:

(a) To cure any ambiguity or formal defect or omission, to correct or supplement any provision herein that may be inconsistent with any other provision herein, to make any other provisions with respect to matters or questions arising under this Trust Agreement, or to modify, alter, amend, add to or rescind, in any particular, any of the terms or provisions contained in this Trust Agreement; provided, that any such modification, alteration, amendment, addition or replacement does not materially adversely affect the interests of the Owners, or

(b) To grant to or confer upon the Trustee for the benefit of the Owners any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Owners or the Trustee, including provisions relating to a mortgage and security interest on a Project pursuant to Section 7.07 hereof, or

(c) To add to the provisions of this Trust Agreement other conditions, limitations and restrictions thereafter to be observed, or

(d) To add to the covenants and agreements of the Corporation or the Board in this Trust Agreement other covenants and agreements thereafter to be observed by the Corporation or the Board or to surrender any right or power herein reserved to or conferred upon the Corporation or the Board, or

(e) To permit the qualification of this Trust Agreement under any federal statute now or hereafter in effect or under any state Blue Sky law, and, in connection therewith, if the Corporation and the Board so determine, to add to this Trust Agreement or any supplemental trust agreement such other terms, conditions and provisions as may be permitted or required by such federal statute or Blue Sky law, or

(f) To provide for the issuance of Taxable Certificates in bearer form, or

(g) To provide for the issuance of Certificates under a book-entry system, or

61

for any of the purposes of this Section, the Trustee shall, at the expense of the Board, cause notice of the proposed execution of such Supplemental Trust Agreement to be mailed, postage prepaid, to all affected Owners, to each affected Credit Enhancer and to each rating agency which shall rate the Certificates. Such notice shall briefly set forth the nature of the proposed Supplemental Trust Agreement and shall state that copies thereof are on file at the Principal Office of the Trustee for inspection by all Owners. The Trustee shall not, however, be subject to any liability to any Owner by reason of its failure to mail the notice required by this Section, and any such failure shall not affect the validity of such Supplemental Trust Agreement when approved and consented to as provided in this Section.

(c) Whenever, at any time within three years after the date of the mailing of such notice, the Corporation or the Board shall deliver to the Trustee an instrument or instruments in writing purporting to be executed by the Owners of not less than a majority of the aggregate principal amount of Certificates then Outstanding as required hereunder and each affected Credit Enhancer, which instrument or instruments shall refer to the proposed Supplemental Trust Agreement described in such notice and shall, specifically consent to and approve the execution thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the Trustee may execute such Supplemental Trust Agreement in substantially such form, without liability or responsibility to any Owner, whether or not such Owner shall have consented thereto.

(d) If the Owners of not less than a majority in aggregate principal amount of Certificates Outstanding as required hereunder and each affected Credit Enhancer at the time of the execution of such Supplemental Trust Agreement shall have consented to and approved the execution thereof as herein provided, no Owner shall have any right to object to the adoption of such Supplemental Trust Agreement, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Corporation, the Board and the Trustee from executing the same or from taking any action pursuant to the provisions thereof.

(e) Upon the execution of any Supplemental Trust Agreement pursuant to the provisions of this Section, this Trust Agreement shall be and be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Trust Agreement of the Corporation, the Board the Trustee and all Owners shall thereafter be determined, exercised and enforced in all respects pursuant to the provisions of this Trust Agreement as so modified and amended.

63

SECTION 11.03. MODIFICATION OF TRUST AGREEMENT WITH CONSENT OF CREDIT ENHANCERS ONLY. If each Series of Certificates adversely affected by an amendment or amendments in a Supplemental Trust Agreement is insured or guaranteed by a Credit Enhancer, and such Credit Enhancer has honored all its obligations under its municipal bond insurance policy or Credit Facility, as the case may be, the Board, the Trustee and the Corporation may enter into one or more Supplemental Trust Agreements which amends all or any part of Articles I, II, III, IV, V, VI, VII, VIII, IX, X or XIII hereof with the written consent of such Credit Enhancers. The consent of the Owners shall not be necessary. Notice of all amendments shall be delivered to S&P and Moody's prior to the effective date of any such amendment. The foregoing right of amendment does not apply to any amendments to Section 7.05 hereof nor may such amendment permit modifications prohibited in Section 11.02(a) hereof. Upon filing with the parties hereto of the consent of the Credit Enhancers as aforesaid, a Supplemental Trust Agreement may be entered into. Subsequent to execution of such Supplemental Trust Agreement notice thereof shall be mailed to the Owners in the same manner as notice of amendment under Section 11.02 hereof.

SECTION 11.04. RESPONSIBILITIES OF TRUSTEE, BOARD AND CORPORATION UNDER THIS ARTICLE. The Trustee, the Board and the Corporation shall be entitled to exercise their discretion in determining whether or not any proposed Supplemental Trust Agreement or any term or provision therein contained is desirable, after considering the purposes of such instrument, the needs of the Corporation and the Board, the rights and interests of the Owners, and the rights, obligations and interests of the Trustee, and the Trustee shall not be under any responsibility or liability to the Corporation, the Board or to any Owner or to anyone whomsoever for its refusal in good faith to execute any such Supplemental Trust Agreement if such trust agreement is deemed by it to be contrary to the provisions of this Article. The Trustee shall be entitled to receive, and shall be fully protected in relying upon, the opinion of any counsel approved by it, who may be counsel for the Corporation or the Board or Special Counsel, as conclusive evidence that any such proposed Supplemental Trust Agreement does or does not comply with the provisions of this Trust Agreement, and that it is or is not proper for it, under the provisions of this Article, to accept such Supplemental Trust Agreement.

SECTION 11.05. CONSENT OF BOARD NOT REQUIRED. Anything herein to the contrary notwithstanding, no such Supplemental Trust Agreement need be consented to or executed by the Board if the Board is in default under the Lease Agreement or an Event of Non-Appropriation has occurred.

SECTION 11.06. NOTICE OF SUPPLEMENTAL TRUST AGREEMENT. Copies of any Supplemental Trust Agreement executed pursuant to the provisions of this Article XI shall be sent to Standard & Poor's

64

ARTICLE XII DEFEASANCE

SECTION 12.01. DEFEASANCE. (a) If the principal, Prepayment Premium, if any, and interest due or to become due on the Certificates shall be paid at the times and in the manner stipulated therein, and if all other sums of money due or to become due according to the provisions hereof shall be paid or provision for payment shall be made, including any amounts owing to any Credit Enhancer or the issuer of a Reserve Account Letter of Credit/Insurance Policy, then these presents and the Trust Estate and rights hereby granted shall cease, terminate and be void, whereupon the Trustee shall cancel and discharge the lien of this Trust Agreement and execute and deliver to the Corporation and the Board such instruments in writing as shall be requisite to cancel and discharge the lien hereof and all surplus in, and balances remaining in, all funds and accounts, other than moneys held for the redemption or payment of Certificates and money held for the United States Treasury in the Rebate Fund, shall be delivered to the Board.

(b) If the principal, Prepayment Premium, if any, and interest due or to become due on a Series of Certificates shall be paid at the times and in the manner stipulated therein, and if all other sums of money due or to become due according to the provisions hereof shall be paid or provision for payment shall be made, then the balance in the Pledged Accounts relating to such Series shall be delivered to the Board.

(c) Any Certificates shall be deemed to be paid within the meaning of this Article when payment of the principal of and Prepayment Premium, if any, on such Certificates, plus interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided in this Trust Agreement, or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided by irrevocably depositing with the Trustee, in trust and irrevocably set aside exclusively for such payment (A) moneys sufficient to make such payment and/or (B) Refunding Securities verified by an independent certified public accountant as to principal and interest in such amounts and at such times as will provide sufficient moneys to make such payment, and all necessary and proper fees and expenses of the Trustee pertaining to the Certificates with respect to which such deposit is made. Except as hereafter provided, neither the Refunding Securities nor any moneys so deposited with the Trustee nor any moneys received by the Trustee on account of principal of or Prepayment Price, if applicable, or interest on said Refunding Securities shall be withdrawn or used for any purpose other than, and all such moneys shall be held in trust for and be applied to, the payment, when

66

Corporation and Moody's Investors Service at least 5 days prior to the effective date of such Supplemental Trust Agreement.

due, of the principal of or Prepayment Price, if applicable, of the Certificates for the payment or redemption of which they were deposited and the interest accruing thereon to the date of maturity or redemption; provided, however, new Refunding Securities and moneys may be substituted for the deposited Refunding Securities and moneys if the new Refunding Securities and moneys are sufficient to pay the principal of or Prepayment Price, if applicable, and interest on the refunded Certificates as verified by an independent certified public accounting firm. At such time as a Certificate shall be deemed to be paid hereunder as aforesaid such Certificate shall no longer be deemed to be Outstanding hereunder and shall no longer be secured by or entitled to the benefits of this Trust Agreement, except for the purposes of any such payment from such moneys or Refunding Securities. Notwithstanding the foregoing, the provisions of this Trust Agreement relating to the maturity of the Certificates, interest payments and interest Payment Dates, redemption provisions, exchange, transfer and registration of Certificates, replacement of mutilated, destroyed, lost or stolen Certificates, the safekeeping and cancellation of Certificates, non-presentment of Certificates, the holding of moneys in trust, and the duties of the Trustee in connection with all of the foregoing, remain in effect and shall be binding upon the Trustee and the Owners notwithstanding the release and discharge of the lien of the Trust Agreement. Prepayments received pursuant to Section 4.06(c) of the Lease Agreement shall be applied in accordance with Section 4.06 of the Lease Agreement and shall be held for the benefit of the Certificates described in the notice given by the Board pursuant to such Section.

(d) If Certificates for which Refunding Securities have been set aside are to be called for redemption, irrevocable instructions to call the Certificates for redemption shall be given by the Board to the Trustee.

(e) The Trustee, within thirty (30) days after any Refunding Securities shall have been deposited with it, shall cause a notice, signed by the Trustee, to be mailed, postage prepaid, to all Owners for which Refunding Securities have been set aside, setting forth (i) the date or dates, if any, designated for the redemption of the Certificates, (ii) a description of the Refunding Securities so held by it, and (iii) that such Certificates have been defeased as provided in this Trust Agreement.

(f) For purposes of determining whether Variable Rate Certificates shall be deemed to have been paid prior to the maturity or the redemption date thereof, as the case may be, by the deposit of moneys, or specified Refunding Securities and moneys, if any, in accordance with this Section, the interest to come due on such Variable Rate Certificates on or prior to the maturity or redemption date thereof, as the case may be, shall be calculated at the Maximum Interest Rate; provided, however, that if on any date, as a result of such Variable Rate Certificates having borne

67

interest at less than the Maximum Interest Rate for any period, the total amount of moneys and specified Refunding Securities on deposit for the payment of interest on such Variable Rate Certificates is in excess of the total amount which would have been required to be deposited on such date in respect of such Variable Rate Certificates in order to satisfy this Section, such excess shall be paid to the Board free and clear of any trust, lien, pledge or assignment securing the Certificates or otherwise existing under this Trust Agreement.

(g) Notwithstanding anything to the contrary set forth in this Article XII, the obligations of the Board under Section 6.03 of the Lease Agreement with respect to any Certificates (other than Taxable Certificates) defeased pursuant to this Article XII shall survive any such defeasance.

(h) Amounts paid by a Credit Enhancer under a Credit Facility or municipal bond insurance policy shall not be deemed paid for purposes of this Section 12.01 and shall remain Outstanding and continue to be due and owing until paid in accordance with this Trust Agreement. This Trust Agreement shall not be discharged unless all amounts due or to become due to the Credit Enhancer have been paid in full.

68

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 Trust Agreement, or photostatic copies thereof, shall be retained in its possession until this Trust Agreement shall be released under the provisions of Section 12.01 of this Trust Agreement, subject at all reasonable times to the inspection of the Corporation, the Board and any Owner and the agents and representatives thereof.

SECTION 13.03. CAPITAL APPRECIATION CERTIFICATES. For the purposes of (A) receiving payment of the Prepayment Price if a Capital Appreciation Certificate is prepaid prior to maturity, or (B) receiving payment of a Capital Appreciation Certificate if the principal of all Certificates becomes due and payable under the provisions of this Trust Agreement, or (C) computing the amount of Certificates held by the Owner of a Capital Appreciation Certificate in giving to the Trustee any notice, consent, request or demand pursuant to this Trust Agreement for any purpose whatsoever, the principal amount of a Capital Appreciation Certificate shall be deemed to be its Accredited Value.

SECTION 13.04. SUBSTITUTE MAILING. If, because of the temporary or permanent suspension of postal service, the Corporation, the Board or the Trustee shall be unable to mail any notice required to be given by the provisions of this Trust Agreement, the Corporation, the Board or the Trustee shall give notice in such other manner as in the judgment of the Corporation, the Board or the Trustee shall most effectively approximate mailing, and the giving of notice in such manner shall for all purposes of this Trust Agreement be deemed to be in compliance with the requirement for the mailing thereof.

SECTION 13.05. PARTIES AND OWNERS ALONE HAVE RIGHTS UNDER TRUST AGREEMENT. Except as herein otherwise expressly provided, nothing in this Trust Agreement, express or implied, is intended or shall be construed to confer upon any Person, other than the Trustee, the Corporation, the Board, the Credit Enhancers and the Owners, any right, remedy or claim, legal or equitable, under or by reason of this Trust Agreement or any provision being intended to be and being for the sole and exclusive benefit of the Trustee, the Corporation, the Board, the Credit Enhancers and the Owners.

SECTION 13.06. EFFECT OF PARTIAL INVALIDITY. In case any one or more of the provisions of this Trust Agreement or the Certificates shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions

ARTICLE XIII

MISCELLANEOUS PROVISIONS

SECTION 13.01. EFFECT OF DISSOLUTION OF CORPORATION. In the event the Corporation for any reason shall be dissolved or its legal existence shall otherwise be terminated, all of the covenants, stipulations, obligations and agreements contained in this Trust Agreement by or on behalf of or for the benefit of the Corporation shall bind or inure to the benefit of the successor or successors of the Corporation from time to time and any officer, board, commission, authority, agency or instrumentality to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law, and the term "Corporation" as used in this Trust Agreement shall include such successor or successors.

SECTION 13.02. NOTICES. (a) All written notices, certificates, reports or statements to be given under this Trust Agreement shall be given by mail or personal delivery to the party entitled thereto, with a copy to each of the other parties to this Trust Agreement, at 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: School Board of Hillsborough County,
Florida
901 East Kennedy Boulevard
Tampa, Florida 33602
Attention: Superintendent and General
Director of Finance

If to the Corporation: Hillsborough School Board Leasing
Corporation
c/o School Board of Hillsborough County,
Florida
901 East Kennedy Boulevard
Tampa, Florida 33602
Attention: Superintendent and General
Director of Finance

If to the Trustee: NationsBank of Florida, N.A.
400 North Ashley Drive, 6th Floor
Tampa, Florida 33602
Attention: Corporate Trust Department

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

69

of this Trust Agreement or the Certificates, but this Trust Agreement and the Certificates shall be construed and enforced as if such illegal or invalid provisions had not been contained therein. In case any covenant, stipulation, obligation or agreement contained in the Certificates or this Trust Agreement shall for any reason be held to be in violation of law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the Board or the Corporation to the full extent permitted by law.

SECTION 13.07. NO RECOURSE AGAINST MEMBERS, OFFICERS OR EMPLOYEES OF CORPORATION OR THE BOARD. No recourse under, or upon, any statement, obligation, covenant, or agreement contained in this Trust Agreement, or in any Certificate hereby secured, or in any document or certification whatsoever, or under any judgment obtained against the Corporation or the Board or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, shall be had against any member, officer or employee, as such, of the Corporation or the Board, either directly or through the Corporation or the Board, respectively, or otherwise, for the payment for or to, the Corporation or the Board or any receiver of either of them, or for, or to, any Owner or otherwise, of any sum that may be due and unpaid upon any such Certificate. Any and all personal liability of every nature, whether at common law or in equity or by statute or by constitution or otherwise, of any such member, officer or employee, as such, to respond by reason of any act or omission on his or her part or otherwise, for the payment for, or to, the Corporation or the Board or any receiver of either of them, or for, or to, any Owner or otherwise, of any sum that may remain due and unpaid upon the Certificates hereby secured or any of them, is hereby expressly waived and released as an express condition of, and in consideration for, the execution of this Trust Agreement and the issuance of the Certificates.

SECTION 13.08. EXPENSES PAYABLE UNDER TRUST AGREEMENT. All expenses incurred in carrying out this Trust Agreement, except those expenses incurred by the Trustee in mailing resignation notices, shall be payable solely from funds derived from the Board as Supplemental Rent.

SECTION 13.09. DEALING IN CERTIFICATES. The Trustee, its directors, officers, employees or agents, and any officer, employee or agent of the Corporation or the Board, may in good faith, buy, sell, own, hold and deal in any Certificates issued under the provisions of this Trust Agreement and may join in any action which any Owner may be entitled to take with like effects as if such Trustee were not a Trustee under this Trust Agreement or as if such officer, employee or agent of the Corporation or the Board did not serve in such capacity.

71

SECTION 13.10. MULTIPLE COUNTERPARTS. This Trust Agreement may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original, and such counterparts shall constitute but one and the same instrument.

SECTION 13.11. HEADINGS. Any heading preceding the text of the several articles hereof, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Trust Agreement, nor shall they affect its meaning, construction or effect.

SECTION 13.12. LAWS. This Trust Agreement shall be construed and governed in accordance with the laws of the State.

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

NATIONSBANK OF FLORIDA, N.A., as
Trustee

(SEAL)

By: Shari B. Sawyer
Vice President

ATTEST:

Jeanne Mackick
Trust Officer

(SEAL)

HILLSBOROUGH SCHOOL BOARD LEASING
CORPORATION, as Lessor

By: Jeanne Mackick
President

ATTEST:

Walter L. Siskin
Secretary

(SEAL)

SCHOOL BOARD OF HILLSBOROUGH COUNTY,
FLORIDA, as Lessee

By: Jeanne Mackick
Chairman

ATTEST:

Walter L. Siskin
Superintendent/Secretary

72

The aforesaid Principal Amount represents a proportionate undivided interest in the Principal Component of the Basic Rent Payment (the "Certificate Principal Amount") under the Lease Agreement coming due on the Maturity Date. The Owner is also entitled to receive, on _____, and semiannually thereafter on each _____, and (each such date being referred to herein as a "Payment Date") to and including the Maturity Date or the date of redemption, whichever is earlier, the Owner's proportionate undivided interest in the Interest Component of the Basic Rent Payment (the "Certificate Interest Payments") coming due with respect to such Payment Dates. Interest on the Principal Amount represented by this Certificate shall accrue from the Dated Date at the Interest Rate set forth above. Said amounts are payable in lawful money of the United States of America, which at the time of payment is legal tender for the payment of public and private debts. The Principal Amount is payable at the Principal Office of the Trustee (which as of the Dated Date hereof is located in Tampa, Florida) and interest is payable by check or draft of the Trustee mailed on each Payment Date to the Registered Owner of record on the fifteenth (15th) day of the month preceding the Payment Date (the "Record Date"); provided, however, that at the request and expense of the Registered Owner of \$1,000,000 or more in aggregate principal amount of Certificates, interest shall be paid by wire transfer on the Payment Date to a bank account designated in writing to the Trustee by the Registered Owner at least five days prior to said Payment Date.

The Basic Rent Payments under the Lease Agreement are payable solely from moneys specifically appropriated from the Board's Available Revenues (as defined in the Trust Agreement) and the moneys on deposit with the Trustee under the Trust Agreement. The Lease Agreement is subject to renewal at the end of each fiscal year of the Board which renewal will only occur if the Board approves a budget for such ensuing fiscal year which specifically appropriates funds for such purpose.

This Certificate is one of a series of certificates of participation in the aggregate principal amount of \$ _____ (the "Certificates") issued to finance _____ (the "Series _____ Project") for lease to the Board pursuant to the Lease Agreement. The Board may, from time to time, lease other Projects (as defined in the Trust Agreement) from the Corporation pursuant to the Lease Agreement. The acquisition, construction and installation of each such Project shall be financed by the issuance of a series of certificates of participation pursuant to the Trust Agreement. Each series of certificates of participation issued to finance a Project shall be secured independently of other series of certificates of participation. The Board has agreed in the Lease Agreement to budget and appropriate in each fiscal year from Available Revenues sufficient moneys to make the Lease Payments (as defined in the Trust Agreement) for all Projects, including the Series _____ Project, leased under the Lease Agreement or for none

(FORM OF CERTIFICATE OF PARTICIPATION)

Certificate of Participation
(School Board of Hillsborough County, Florida Master Lease Program)
Evidencing an Undivided Proportionate Interest of the Owners
thereof in Basic Rent Payments to be made under
a Master Lease-Purchase Agreement by the School Board of
Hillsborough County, Florida

Interest Rate Dated Date Maturity Date CUSIP

REGISTERED OWNER:

PRINCIPAL AMOUNT:

This is to certify that the Registered Owner stated above is the registered owner of this Certificate and is entitled to receive on the Maturity Date stated above, the Principal Amount stated above. This Certificate and the "Certificate Principal Amount" and "Certificate Interest Payments" hereunder (as each is defined below) represent a proportionate undivided interest in the right to receive the Principal Component and Interest Component of Basic Rent Payments payable under the Master Lease-Purchase Agreement, dated as of April 1, 1994 (the "Lease Agreement"), between the Hillsborough School Board Leasing Corporation, a single-purpose Florida not-for profit corporation, as lessor (the "Corporation") and the School Board of Hillsborough County, Florida, a school board of the State of Florida and the governing body of the School District of Hillsborough County, Florida, as lessee (the "Board"). Pursuant to a Ground Lease dated as of April 1, 1994 (the "Ground Lease") the Board has or will demise to the Corporation the Premises and the portions of the Projects on or a part thereof to the extent set forth therein (as each such term is defined in the Lease Agreement). The Corporation's rights under the Lease Agreement (other than certain rights specified in the Lease Agreement) and the Ground Lease have been assigned by absolute and outright assignment, without recourse, to NationsBank of Florida, N.A., Tampa, Florida, as trustee (the "Trustee") under the Master Trust Agreement, dated as of April 1, 1994 (the "Trust Agreement") among the Trustee, the Corporation and the Board and under the Assignment of Lease Agreement and Assignment of Ground Lease Agreement, each dated as of April 1, 1994, between the Corporation and the Trustee.

B-1

of them. The Board may issue Completion Certificates (as defined in the Trust Agreement) which shall be on parity with the Certificates upon satisfying the conditions described therefor in the Trust Agreement.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS CERTIFICATE SET FORTH ON THE REVERSE HEREOF WHICH FURTHER PROVISIONS SHALL, FOR ALL PURPOSES, HAVE THE SAME EFFECT AS IF SET FORTH IN THIS PLACE.

All capitalized terms not otherwise defined herein shall have the meaning set forth in the Trust Agreement.

THE BASIC RENT PAYMENTS AND, CONSEQUENTLY, THE CERTIFICATE PAYMENTS OF PRINCIPAL AND INTEREST ARE PAYABLE SOLELY FROM THE BOARD'S AVAILABLE REVENUES. THE BASIC RENT PAYMENTS ARE SUBJECT TO ANNUAL APPROPRIATION BY THE BOARD. THE CERTIFICATE PAYMENTS OF PRINCIPAL AND INTEREST AND THE PAYMENTS DUE FROM THE BOARD UNDER THE LEASE AGREEMENT AND THE CONTRACTUAL OBLIGATIONS OF THE BOARD UNDER THE LEASE AGREEMENT DO NOT CONSTITUTE A GENERAL OBLIGATION OR A PLEDGE OF THE FAITH AND CREDIT OF THE BOARD, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

The Trustee has no obligation or liability to the Registered Owner to make payments of the Certificate Principal Amount or Certificate Interest Payments with respect to this Certificate, other than from the Trust Estate. The Trustee's sole obligations are to administer, for the benefit of the Certificate Owners, the various funds and accounts established under the Trust Agreement and to exercise various responsibilities under the Trust Agreement.

IN WITNESS WHEREOF, the Trustee has caused this Certificate to be executed by facsimile signature of an authorized officer as of the date stated above.

NATIONSBANK OF FLORIDA, N.A., not in
its individual capacity but solely
as Trustee, under the Master Trust
Agreement, dated as of April 1,
1994.

(SEAL)

By: _____
Authorized Signatory

B-3

CERTIFICATE OF AUTHENTICATION

This Certificate is one of the Certificates designated as Certificates of Participation (School Board of Hillsborough County, Florida Master Lease Program), Series _____ Evidencing an Undivided Proportionate Interest of the Owners thereof in Basic Rent Payments to be made under a Master Lease-Purchase Agreement by the School Board of Hillsborough County, Florida described in the within-mentioned Trust Agreement.

Date of Authentication:

NATIONSBANK OF FLORIDA, N.A., not in its individual capacity but solely as Trustee, under the Master Trust Agreement, dated as of April 1, 1994.

(SEAL)

By: _____
Authorized Signatory

B-4

[INSERT OPTIONAL AND MANDATORY PREPAYMENT PROVISIONS.]

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

When redemption is authorized or required, the Trustee shall give to the Registered Owner notice, at the expense of the Board, of the redemption of this Certificate. Such notice shall specify, among other things: (1) that the whole or a designated portion of this Certificate is to be redeemed, (2) the date of redemption, and (3) the place or places where the redemption will be made.

Notice of such redemption shall be mailed, postage prepaid, not more than 60 days or fewer than 30 days prior to said date of redemption, to the Registered Owner of any Certificate to be redeemed. Such mailing shall not be a condition precedent to such redemption, and failure to so mail any such notice, or any defect in such notice as mailed, shall not affect the validity of the proceedings for the redemption of the Certificates.

The following abbreviations, when used in the inscription on the face of the within Certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -- as tenants in common

TEN ENT -- as tenants by the entireties

JT TEN -- as joint tenants with right of survivorship and not as tenants in common

UNIF TRANS MIN ACT -- _____
(Cust.)

Custodian for _____

under Uniform Transfers to Minors Act of _____
(State)

Additional abbreviations may also be used though not in list above.

B-6

(Reverse Side of Form of Certificate of Participation)

This Certificate has been executed by the Trustee pursuant to the terms of the Trust Agreement. Copies of the Lease Agreement, the Ground Lease, the Assignment of Lease Agreement, the Assignment of Ground Lease Agreement and the Trust Agreement are on file at the Principal Office of the Trustee, and reference to the Lease Agreement, the Ground Lease, the Assignment of Lease Agreement, the Assignment of Ground Lease Agreement and the Trust Agreement and any and all amendments to said agreements is made for a description of the covenants of the Board, the nature, extent and manner of enforcement of such covenants, the rights and remedies of the Owners of the Certificates with respect thereto and the terms and conditions upon which the Certificates are delivered thereunder. To the extent and in the manner permitted by the terms thereof, the provisions of the Lease Agreement and the Trust Agreement may be amended by the parties thereto.

This Certificate may be transferred only by recording the transfer on the Certificate Register, which shall be kept for that purpose by the Trustee at the Principal Office of the Trustee. A transfer of this Certificate shall be registered and a new Certificate prepared, authenticated and delivered upon surrender of this Certificate for cancellation accompanied by a written instrument of transfer in a form approved by the Trustee and duly executed by the Registered Owner hereof or his or her duly authorized attorney or legal representative. Upon the registration of the transfer and the surrender of this Certificate, the Trustee shall provide in the name of the transferee, a new fully registered Certificate or Certificates of the same aggregate principal amount, maturity and tenor as the surrendered Certificate. No exchange or transfer of any Certificates shall be required of the Trustee (1) during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Certificates and ending at the close of business on the day of such mailing, (2) for Certificates called for redemption, or (3) during a period beginning at the opening of business on the Record Date next preceding a date set for payment of interest and ending on such date set for payment of interest. Interest on the Certificates shall be computed upon the basis of a 360-day year, consisting of twelve 30-day months.

The Certificates are delivered in the form of fully registered Certificates in denominations of \$5,000 each or any whole multiple thereof, and upon surrender thereof at the Principal Office of the Trustee with a written request of exchange satisfactory to the Trustee duly executed by the Registered Owner or his duly authorized attorney or legal representative in writing, may, at the option of the Registered Owner thereof, be exchanged for an equal aggregate Principal Amount of Certificates of any other authorized denominations and of the same Interest Rate and Maturity Date.

B-5

ASSIGNMENT

For value received _____, the undersigned do(es) hereby sell, assign and transfer unto _____, whose Social Security or other identifying number is _____, the within registered Certificate and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the Certificate Register of the Trustee with full power of substitution in the premises.

Dated: _____

NOTICE: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

NOTICE: The signature to this assignment must correspond with the name of the Registered Holder as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever and the Social Security or other identifying number of such assignee must be supplied.

B-7

EXHIBIT C

(FORM OF REQUEST AND AUTHORIZATION)

1. The undersigned, being the duly qualified and acting _____ of Hillsborough School Board Leasing Corporation, a single-purpose Florida not-for-profit corporation (the "Corporation"), hereby authorizes and requests NationsBank of Florida, N.A., as Trustee under that certain Trust Agreement, dated as of April 1, 1994 (the "Trust Agreement"), among it, the Corporation and the School Board of Hillsborough County, Florida to deliver the aggregate principal amount of Certificates of Participation (School Board of Hillsborough County, Florida Master Lease Program), Series _____ Evidencing an Undivided Proportionate Interest of the Owners thereof in Basic Rent Payments to be made under a Master Lease-Purchase Agreement by the School Board of Hillsborough County, Florida (the "Series _____ Certificates"), dated as of April 1, 1994, in the respective maturities and at the respective interest rates set forth in Schedule A hereto, as authorized by the Trust Agreement, in fully registered form, to _____ (the "Underwriters"), on the date hereof, upon receipt from the Underwriters of the purchase price for the Series _____ Certificates, which is computed as follows:

Principal Amount	\$ _____
Less: Underwriters' Discount	\$ _____
Less: Original Issue Discount	\$ _____
Plus: Accrued interest from _____ to the date hereof	\$ _____
Purchase Price	\$ _____
Amount received on date hereof	\$ _____

2. Said sum shall be immediately deposited by you in the Pledged Accounts relating to such Series _____ Certificates as follows in accordance with the provisions of the Trust Agreement.

TO THE CREDIT OF THE "SERIES _____ SUBACCOUNT OF THE PROJECT ACCOUNT"	\$ _____
TO THE CREDIT OF THE "SERIES _____ SUBACCOUNT OF THE COSTS OF ISSUANCE ACCOUNT"	\$ _____
TO THE CREDIT OF THE "SERIES _____ SUBACCOUNT OF THE CAPITALIZED INTEREST ACCOUNT"	\$ _____

C-1

TO THE CREDIT OF THE "SERIES _____ SUBACCOUNT OF THE RESERVE ACCOUNT"	\$ _____
TO THE CREDIT OF THE "SERIES _____ SUBACCOUNT OF THE INTEREST ACCOUNT"	\$ _____
TOTAL DEPOSITS	\$ _____

3. The following terms shall have the following meanings with respect to the Series _____ Certificates:

(a) "Reserve Requirement" shall mean _____
(b) "Credit Enhancer" shall mean _____
(c) "Commencement Date" shall mean _____

4. The redemption provisions relating to the Series _____ Certificates shall be as provided in Schedule A attached hereto.

DATED: _____

HILLSBOROUGH SCHOOL BOARD LEASING CORPORATION

By: _____
Title: _____

SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA

By: _____
Title: _____

ACCEPTED:

NATIONSBANK OF FLORIDA, N.A., as Trustee

By: _____
Title: _____

C-2

SCHEDULE A

TERMS OF SERIES _____ CERTIFICATES

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FIRST AMENDMENT TO MASTER TRUST AGREEMENT

by and among

**THE BANK OF NEW YORK
(successor to NationsBank of Florida, N.A.),
as Trustee**

and

**HILLSBOROUGH SCHOOL BOARD LEASING CORPORATION,
as Lessor**

and

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

Dated as of February 19, 2003

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

TABLE OF CONTENTS

	Page
SECTION 1. AUTHORIZATION.	2
SECTION 2. DEFINITIONS.	2
SECTION 3. AMENDMENTS TO EXHIBIT A (DEFINITIONS) TO THE TRUST AGREEMENT.	2
SECTION 4. AMENDMENTS TO SECTION 4.14 OF THE TRUST AGREEMENT.	3
SECTION 5. AMENDMENTS TO SECTION 6.06 OF THE TRUST AGREEMENT.	4
SECTION 6. AMENDMENTS TO SECTION 8.04 OF THE TRUST AGREEMENT.	5
SECTION 7. PROVISIONS OF TRUST AGREEMENT NOT OTHERWISE MODIFIED.	7
SECTION 8. THIRD PARTY BENEFICIARIES.	7
SECTION 9. COUNTERPARTS.	7
SECTION 10. HEADINGS.	7
SECTION 11. LAWS.	8

FIRST AMENDMENT TO MASTER TRUST AGREEMENT

THIS FIRST AMENDMENT TO MASTER TRUST AGREEMENT, dated as of February 19, 2003 (the "First Amendment to Master Trust Agreement"), amending the Master Trust Agreement, dated as of April 1, 1994, as heretofore amended and supplemented (the "Trust Agreement"), by and among THE BANK OF NEW YORK (successor to NationsBank of Florida, N.A.), a New York banking corporation with corporate trust powers qualified to accept trusts of the type set forth in the Trust Agreement (the "Trustee"), the HILLSBOROUGH SCHOOL BOARD LEASING CORPORATION, a not-for-profit educational corporation duly organized and existing under the laws of the State of Florida (the "Corporation"), and the SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA, acting as the governing body of the Hillsborough County School District (the "Board").

WITNESSETH:

WHEREAS, the Board has heretofore deemed it in its best interests to lease-purchase certain real and/or personal property from time to time and has heretofore entered into a Master Lease-Purchase Agreement, dated as of April 1, 1994, as amended and supplemented (the "Lease Agreement"), between the Corporation, as lessor, and the Board, as lessee; and

WHEREAS, the Board desires to provide for the delivery from time to time of Hedge Agreements (defined herein); and

WHEREAS, in order to provide for the delivery of Hedge Agreements related to Outstanding Certificates it is necessary to amend certain provisions of the Trust Agreement;

NOW, THEREFORE, in consideration of the mutual agreements and covenants in the Trust Agreement and Lease Agreement contained and for other valuable consideration, the parties hereto agree as follows:

SECTION 1. AUTHORIZATION. This First Amendment to Master Trust Agreement is being entered into in accordance with (i) the provisions of the Act, (ii) a resolution of the Board adopted on February 18, 2003 and (iii) Section 11.03 of the Trust Agreement.

SECTION 2. DEFINITIONS. The words and terms which are defined in the Trust Agreement (as amended hereby), shall have the same meanings ascribed to them when used herein, unless the context or use indicates a different meaning or intent.

SECTION 3. AMENDMENTS TO EXHIBIT A (DEFINITIONS) TO THE TRUST AGREEMENT. (a) Exhibit A to the Trust Agreement is hereby amended by adding the following definitions of "Counterparty," "Hedge Agreement," "Hedge Obligations," "Hedge Receipts" and "Termination Fees":

"Counterparty" shall mean the Person entering into a Hedge Agreement with the Board.

"Hedge Agreement" shall mean an interest rate exchange agreement, an interest rate swap agreement, a forward purchase contract, a put option contract, a call option contract or any other financial product which is used by the Board as a hedging device with respect to its obligation to pay the interest portion of Basic Lease Payments represented by any of the Outstanding Certificates, entered into between the Board and a Counterparty and designated by the Board as a "Hedge Agreement" for the purposes of the Trust Agreement and Lease Agreement.

"Hedge Obligations" shall mean the periodic amounts required to be paid by the Board on the related notional amount under a Hedge Agreement determined in accordance with a formula set forth in the Hedge Agreement (similar to payment of interest on the related notional amount), but excluding Termination Fees which are not payable by a Credit Enhancer pursuant to the terms of any bond insurance policy or Credit Facility securing the obligation of the Board to make certain payments under a Hedge Agreement.

"Hedge Receipts" shall mean amounts received by the Board on the related notional amount from a Counterparty under a Hedge Agreement which may be net of any Hedge Obligations.

"Termination Fees" means any payments due by the Board under a Hedge Agreement, other than Hedge Obligations.

(b) Exhibit A to the Trust Agreement is hereby amended by amending and restating the definition of "Basic Rent" or "Basic Rent Payment" in its entirety with the following:

"Basic Rent" or "Basic Rent Payment" means (i) the Basic Rent Payments set forth in the Lease Schedules, as the same may be adjusted pursuant to the terms of the Lease Agreement and (ii) Hedge Obligations.

SECTION 4. AMENDMENTS TO SECTION 4.14 OF THE TRUST AGREEMENT. Section 4.14 of the Trust Agreement is hereby amended in its entirety to read as follows:

"SECTION 4.14. PAYMENTS FROM TRUST ESTATE ONLY; DISTRIBUTION OF TRUST ESTATE. (a) Unless otherwise set forth in the 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 this Trust Agreement and each Hedge Obligation related thereto shall rank pari passu and be equally and ratably secured under this Trust Agreement with each other Certificate of such Series and each Hedge Obligation related thereto, but not with any Certificate of any other Series issued pursuant to this Trust Agreement and Outstanding or any Hedge Obligation related thereto, without preference, priority or distinction of any such Certificate, Hedge Obligation over any other such Certificate, Hedge Obligation, except that to the extent that Basic Rent Payments available for payment to all Certificateholders, each Hedge Obligation related thereto, are less than all amounts owed with respect to all Series of Certificates, all Hedge Obligations on any Payment Date, such amounts available shall be applied on a pro-rata basis to Certificateholders of all Series and all related Counterparties in accordance with the ratio that the principal balance of each Series of Certificates Outstanding bears to the total amount of Certificates Outstanding under this Trust Agreement.

Termination Fees shall be secured by the Trust Estate subordinated to the security provided for each Series of Certificates and Hedge Obligations and payable only if and to the extent Supplemental Rent for such amounts has been received for distribution pursuant to Section 6.06(b) hereof.

(b) Except as otherwise expressly provided in Section 4.14(a) above, and elsewhere herein, all amounts payable by the Trustee with respect to a Series of Certificates, Hedge Obligations or to any Credit Enhancer who shall have issued a Credit Facility or municipal bond insurance policy securing such Series pursuant to this Trust Agreement shall be paid only from the portion of the Trust Estate derived from Basic Rent Payments made pursuant to the Lease Schedule corresponding to such Series and any related Hedge Agreement and only to the extent that the Trustee shall have actually received sufficient income or proceeds from such portion of the Trust Estate to make such payments. Each Certificateholder agrees, and each such Credit Enhancer, by its execution and delivery of a Credit Facility or municipal bond insurance policy shall be deemed to have agreed, and each Counterparty by its

execution and delivery of a Hedge Agreement shall be deemed to have agreed, except as otherwise expressly provided herein, to look solely to the income of and the proceeds from such portion of the Trust Estate to the extent available for distribution to such holder, each such Credit Enhancer and each Counterparty as herein provided and that the Trustee is not personally liable to any Certificateholder, Counterparty or any such Credit Enhancer for any amounts payable under this Trust Agreement or subject to any liability under this Trust Agreement except as a result of negligence or willful misconduct by the Trustee."

SECTION 5. AMENDMENTS TO SECTION 6.06 OF THE TRUST AGREEMENT. Subsections (a) and (b) of Section 6.06 of the Trust Agreement are hereby amended in their entirety to read as follows:

"SECTION 6.06. DISPOSITION OF LEASE PAYMENTS. (a) Basic Rent Payments paid in accordance with each Lease Schedule to the Trustee, as assignee of the Corporation pursuant to the Lease Agreement and to the Assignment of Lease Agreement, and in accordance with each Hedge Agreement shall be deposited as received by the Trustee in the Lease Payment Fund in the following manner and in the following order of priority:

(i) There shall be deposited to the subaccount of the Interest Account established for the payment of a Series of Certificates from the Interest Component of Basic Rent and (including Hedge Receipts) made in relation to such Series of Certificates an amount which shall be sufficient to pay the interest becoming due on such Series of Certificates on the next succeeding Payment Date and any Hedge Obligations, when due. Moneys in each subaccount of the Interest Account shall be used to pay the interest on the Series of Certificates (or the Hedge Obligations related thereto) for which it was established as and when the same become due, whether by redemption or otherwise, and for no other purpose. No further deposit need be made to the Interest Account when the moneys therein are equal to the interest coming due on all Outstanding Certificates on the next succeeding Payment Date.

(ii) There shall be deposited to the subaccount of the Principal Account established for the payment of a Series of Certificates from the Principal Component of Basic Rent made in relation to such Series of Certificates an amount which shall be sufficient to pay the principal and the Amortization Installment becoming due on such Series of Certificates on the next succeeding principal Payment Date. Moneys in each subaccount of the Principal Account shall be used to pay the principal and the Amortization

4

such money in the special account established for such Series shall be applied:

First: to the payment to the Persons entitled thereto of (a) all installments of interest on such Series of Certificates and (b) the Hedge Obligations related thereto; in each case, then due and payable in the order in which such installments or amounts became due and payable and, if the amount available shall not be sufficient to pay in full any particular installment or amount, then to the payment, ratably according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates specified in such Series of Certificates and the Hedge Obligations, related thereto;

Second: to the payment to the Persons entitled thereto of the unpaid principal of any Certificates of such Series that shall have become due and payable, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full the principal of Certificates of such Series due and payable on any particular date, then to the payment ratably according to the amount of such principal due on such date, to the Persons entitled thereto without any discrimination or preference;

Third: to the payment of the interest on and the principal of such Series of Certificates, to the purchase and retirement of such Series of Certificates, and to the redemption of such Series of Certificates, all in accordance with the provisions hereof;

Fourth: to the payment of any amounts owed and unpaid the Credit Bank for such Series or under the reimbursement agreement relating to the Credit Facility for such Series;

Fifth: to the payment of any Termination Fees related to such Series of Certificates.

Sixth: to the payment of any amounts owing in regard to Ground Leases relating to such Series; and

Seventh: to the payment of any surplus moneys to the Board.

(ii) If the principal of such Series of Certificates shall have become or shall have been declared due and payable, all such money in the special account established for such Series shall be applied to

6

Installment of the Series of Certificates for which it was established as and when the same shall mature or are redeemed, and for no other purpose. No further deposit need be made to the principal and the Amortization Installment coming due on all Outstanding Certificates on the next succeeding principal Payment Date.

(b) Supplemental Rent payments made by the Board pursuant to Section 4.03(f) of the Lease Agreement shall be deposited as received by the Trustee to the appropriate subaccount of the Reserve Account. Supplemental Rent payments made by the Board pursuant to Section 4.03(g) of the Lease Agreement shall be deposited as received by the Trustee to the Rebate Fund. Any Supplemental Rent payments made by the Board representing Termination Fees pursuant to Section 4.03(e) of the Lease Agreement shall be paid as received by the Trustee to the appropriate Counterparty. Any other Supplemental Rent payments received by the Trustee shall be applied to the payment of Persons entitled to such Supplemental Rent, or, if the Trustee determines such Supplemental Rent payment is surplus, it shall be utilized in such manner as shall be directed by the Board."

SECTION 6. AMENDMENTS TO SECTION 8.04 OF THE TRUST AGREEMENT. Subsection (a) of Section 8.04 of the Trust Agreement is hereby amended in its entirety to read as follows:

"SECTION 8.04. PRO-RATA APPLICATION OF FUNDS. (a) Anything in this Trust Agreement to the contrary notwithstanding, if at any time the money in the Lease Payment Fund shall not be sufficient to pay the interest on or the principal of the Certificates as the same shall become due and payable (either by their terms or by acceleration of maturities under the provisions of Section 8.02 hereof) and the Hedge Obligations related thereto, the Trustee, subsequent to payment of all costs and expenses relating to collection of such moneys and fees and expenses of the Trustee, including reasonable fees and expenses of Trustee's Counsel, shall deposit all moneys derived from the sale, re-letting or other disposition of each Project, including moneys and damages collected in connection therewith, and all moneys in the Pledged Accounts relating thereto (amounts in a subaccount of the Project Account for such Project may, at the discretion of the Trustee, be retained in such subaccount to continue payment of the acquisition and construction of such Project) into a special account established for the sole benefit of the Owners of the Series of Certificates or the Counterparty or Counterparties to any Hedge Agreements related thereto which financed or refinanced such Project and shall apply moneys in such special account as follows:

(i) If the principal of such Series of Certificates shall not have become or shall not have been declared due and payable, all

5

the payment of principal and interest then due upon such Series of Certificates (or, in the case of Capital Appreciation Certificates, the Accredited Value thereof) and all Hedge Obligations related thereto without preference or priority of principal over interest or interest over principal, or of any installment of interest over any other installment of interest or any such Certificate over any other such Certificate ratably, according to the amounts due respectively for principal and interest, to the Persons entitled thereto, without any discrimination or preference and then to the payment of any amounts owed and unpaid the Credit Bank for such Series or under the reimbursement agreement relating to the Credit Facility for such Series, then to the payment of any Termination Fees related thereto and then to the payment of any amounts owing in regard to Ground Leases relating to such Series. Any surplus moneys shall be paid to the Board.

(iii) If the principal of such Series of Certificates shall have been declared due and payable and if such declaration shall thereafter have been rescinded and annulled under the provisions of Section 8.02 hereof, then, subject to the provisions of paragraph (a)(i) of this Section in the event that the principal of such Series of Certificates shall later become due and payable or be declared due and payable, the money then remaining in and thereafter accruing to the special account established for such Series shall be applied in accordance with the provisions of paragraph (a)(i) of this Section."

SECTION 7. PROVISIONS OF TRUST AGREEMENT NOT OTHERWISE MODIFIED. Except as expressly modified or amended hereby, the Trust Agreement shall remain in full force and effect. To the extent of any conflict between the terms of the Trust Agreement and this First Amendment to Master Trust Agreement, the terms hereof shall control.

SECTION 8. THIRD PARTY BENEFICIARIES. Nothing in this First Amendment to Master Trust Agreement, express or implied, is to or shall be construed to confer upon or to give to any person or party other than the Corporation, and its assignee, the Trustee, the Credit Enhancers, Counterparties and the Board any rights, remedies or claims under or by reason of this First Amendment to Master Trust Agreement or any covenants, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this First Amendment to Master 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 Credit Enhancers, Counterparties and the Board.

7

SECTION 9. COUNTERPARTS. This First Amendment to Master 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 10. HEADINGS. Any heading preceding the text of the several Articles hereof, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this First Amendment to Master Trust Agreement, nor shall they affect its meaning, construction or effect.

SECTION 11. LAWS. This First Amendment to Master Trust Agreement shall be construed and governed in accordance with the laws of the State.

IN WITNESS WHEREOF, the parties have executed this First Amendment to Master Trust Agreement by their officers thereunto duly authorized as of the date and year first written above.

THE BANK OF NEW YORK, as Trustee

By: The Bank of New York Trust Company of
Florida, N.A., as agent for The Bank of New
York (successor to NationsBank of Florida,
N.A.)

(SEAL)

Barkua B. Beck
Authorized Signatory

**HILLSBOROUGH SCHOOL BOARD LEASING
CORPORATION, as Lessor**

(SEAL)

By: Carol W. Kusdel
President

ATTEST:
Earl G. Leonard
Secretary

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

(SEAL)

By: Carol W. Kusdel
Chairman

ATTEST:
Earl G. Leonard
Superintendent/Secretary

CONSENT:

MBIA INSURANCE CORPORATION

By: Amy R. Gonch
Title: Amy R. Gonch
Assistant Secretary

SERIES 2010A SUPPLEMENTAL TRUST AGREEMENT

by and among

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.
(successor to NationsBank of Florida, N.A.),
as Trustee**

and

**HILLSBOROUGH SCHOOL BOARD LEASING CORPORATION,
as Lessor**

and

**THE SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA,
as Lessee**

Dated as of April 1, 2010

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

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I	
DEFINITIONS	
SECTION 101. DEFINITIONS.....	4
ARTICLE II	
THE SERIES 2010A CERTIFICATES	
SECTION 201. AUTHORIZATION OF SERIES 2010A CERTIFICATES	6
SECTION 202. ISSUANCE OF SERIES 2010A CERTIFICATES	7
SECTION 203. REFUNDING OF REFUNDED CERTIFICATES	7
SECTION 204. LETTER OF INSTRUCTIONS.....	7
SECTION 205. FULL BOOK-ENTRY.....	7
ARTICLE III	
APPLICATION OF SERIES 2010A CERTIFICATE PROCEEDS	
SECTION 301. APPLICATION OF SERIES 2010A CERTIFICATE PROCEEDS..	10
ARTICLE IV	
ESTABLISHMENT OF SERIES 2010A PLEDGED ACCOUNTS	
SECTION 401. ESTABLISHMENT OF SERIES 2010A PLEDGED ACCOUNTS..	11
SECTION 402. SECURITY FOR SERIES 2010A CERTIFICATES	11
ARTICLE V	
PREPAYMENT OF SERIES 2010A CERTIFICATES	
SECTION 501. PREPAYMENT DATES AND PRICES OF SERIES 2010A CERTIFICATES	12
ARTICLE VI	
MISCELLANEOUS	
SECTION 601. PROVISIONS OF TRUST AGREEMENT NOT OTHERWISE MODIFIED.....	14
SECTION 602. THIRD PARTY BENEFICIARIES.....	14
SECTION 603. COUNTERPARTS	14
SECTION 604. HEADINGS	14
SECTION 605. LAWS	14
SCHEDULE 1 LETTER OF INSTRUCTIONS.....	S-1

WHEREAS, the Corporation has assigned by absolute outright assignment to the Trustee all of its right, title and interest in and to the Lease Agreement and the Lease Payments (as defined in the Trust Agreement), other than its rights of indemnification, its obligations pursuant to Section 6.03 of the Lease Agreement and its right to enter into Lease Schedules from time to time, pursuant to the Assignment of Lease Agreement, dated as of April 1, 1994, as amended and supplemented (the "Assignment of Lease Agreement"), between the Corporation and the Trustee; and

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

WHEREAS, the Board has heretofore caused the Trustee to execute, authenticate and deliver, under the Trust Agreement, \$103,770,000 Refunding Certificates of Participation (School Board of Hillsborough County, Florida Master Lease Program), Series 2001A (the "Series 2001A Certificates") Evidencing an Undivided Proportionate Interest of Owners thereof in Basic Rent Payments to be made under a Master Lease-Purchase Agreement by The School Board of Hillsborough County, Florida, which Series 2001A Certificates, prior to giving effect to the refunding, are currently outstanding in the aggregate amount of \$99,035,000; and

WHEREAS, the proceeds of the Series 2001A Certificates were principally used to refinance a portion of the costs of acquisition, construction and installation of various educational facilities (the "Series 1999 Project") as more particularly described in Amended and Restated Lease Schedule No. 1999, dated as of January 31, 2001 (as heretofore amended and restated, the "Current Lease Schedule No. 1999"); and

WHEREAS, the Board and the Corporation agree that the proceeds of the Series 2010A Certificates should be used to refund, on a current basis, the outstanding Series 2001A Certificates maturing on July 1 in the years 2011 through 2021, inclusive, and 2025 (the "Refunded Certificates") pursuant to the terms of the Trust Agreement and the Escrow Deposit Agreement (as defined below); and

WHEREAS, a portion of the proceeds of the Series 2010A Certificates together with other amounts, shall be deposited into an escrow deposit trust fund established pursuant to the Escrow Deposit Agreement, between the Board and The Bank of New York Mellon Trust Company, N.A., as escrow agent (the "Escrow Deposit Agreement") and shall constitute the deposit of prepaid Basic Rent Payments by the Board; and

WHEREAS, the deposit of the prepaid Basic Rent Payments in the escrow deposit trust fund shall be in an amount sufficient to pay the principal of, prepayment premium, if any, and interest on the Refunded Certificates as the same becomes due or are redeemed prior to maturity; and

SERIES 2010A SUPPLEMENTAL TRUST AGREEMENT

THIS SERIES 2010A SUPPLEMENTAL TRUST AGREEMENT, dated as of April 1, 2010 (the "Series 2010A Supplemental Trust Agreement"), amending and supplementing the Master Trust Agreement, dated as of April 1, 1994, as amended and supplemented (the "Trust Agreement"), by and among **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.** (successor to NationsBank of Florida, N.A.), a national banking association with corporate trust powers qualified to accept trusts of the type set forth in the Trust Agreement (the "Trustee"), the **HILLSBOROUGH SCHOOL BOARD LEASING CORPORATION**, a not-for-profit corporation duly organized and existing under the laws of the State of Florida (the "Corporation"), and **THE SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA**, acting as the governing body of the public schools within the School District of Hillsborough County, Florida (the "Board").

WITNESSETH:

WHEREAS, the Board has heretofore deemed it in its best interests to lease-purchase certain real and/or personal property from time to time and has heretofore entered into a Master Lease-Purchase Agreement, dated as of April 1, 1994, as amended and supplemented (the "Lease Agreement"), between the Corporation, as lessor, and the Board, as lessee; and

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

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

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

WHEREAS, the Lease Agreement will continue to secure the payment of Supplemental Rent and any deficiency in the prepaid Basic Rent Payments on deposit in the escrow deposit trust fund established under the Escrow Deposit Agreement and securing the Refunded Certificates; and

WHEREAS, in consideration for the deposit of such prepaid Basic Rent Payments to refund the Refunded Certificates, the Board has agreed to enter into a Second Amended and Restated Lease Schedule No. 1999 (the "Second Amended and Restated Lease Schedule No. 1999"), with the Corporation, whereby the Board will amend and restate the Amended and Restated Lease Schedule No. 1999 in its entirety thereby continuing to lease the Series 1999 Project and agree to make Basic Rent Payments sufficient to pay the principal of and interest on the portion of the Series 2010A Certificates relating to the Series 1999 Project and the Series 2001A Certificates not constituting Refunded Certificates (herein referred to as the "Outstanding Series 2001A Certificates"); and

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

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

NOW, THEREFORE, THIS SERIES 2010A SUPPLEMENTAL TRUST AGREEMENT WITNESSETH:

ARTICLE I DEFINITIONS

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

"Escrow Agent" means The Bank of New York Mellon Trust Company, N.A.

"Escrow Deposit Agreement" means the Escrow Deposit Agreement dated as of April 15, 2010, between the Board and the Escrow Agent.

"Refunded Certificates" means the Series 2001A Certificates maturing on July 1 in the years 2011 through 2021, inclusive, and 2025, being refunded with a portion of the proceeds of the Series 2010A Certificates in accordance with the Escrow Deposit Agreement.

"Related Documents" means the Trust Agreement, the Lease Agreement, the Assignment of Lease Agreement, the Ground Lease Agreement, dated as of October 1, 1999, and the Assignment of Ground Lease Agreement, dated as of October 1, 1999, as all such documents are amended and supplemented.

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

"Second Amended and Restated Lease Schedule No. 1999" means the Second Amended and Restated Lease Schedule No. 1999, dated as of April 1, 2010, relating to the Series 1999 Project, the Outstanding 2001A Certificates and the Series 2010A Certificates, which shall be part of the Lease Agreement.

"Series 1999 Project" means the Series 1999 Project as described in the Second Amended and Restated Lease Schedule No. 1999.

"Series 2001A Certificates" means the Refunding Certificates of Participation (School Board of Hillsborough County, Florida Master Lease Program), Series 2001A, Evidencing an Undivided Proportionate Interest of Owners thereof in Basic Rent Payments to be made under a Master Lease-Purchase Agreement by The School Board of Hillsborough County, Florida, dated as of January 15, 2001, executed, authenticated and delivered by the Trustee under the Trust Agreement.

4

ARTICLE II THE SERIES 2010A CERTIFICATES

SECTION 201. AUTHORIZATION OF SERIES 2010A CERTIFICATES. (a) There is hereby created a Series of Certificates to be issued under the Trust Agreement to be known as "Refunding Certificates of Participation (School Board of Hillsborough County, Florida Master Lease Program), Series 2010A Evidencing an Undivided Proportionate Interest of Owners thereof in Basic Rent Payments to be made under a Master Lease-Purchase Agreement by The School Board of Hillsborough County, Florida." The aggregate principal amount of Series 2010A Certificates which may be issued is hereby expressly limited to \$97,545,000. The Series 2010A Certificates shall be issued for the principal purposes of (i) effecting the refunding, on a current basis, of the Refunded Certificates and (ii) paying Costs of Issuance of the Series 2010A Certificates. The Series 2010A 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 2010A Certificates shall be lettered and numbered R-1 and upward.

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

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

Year (July 1)	Principal Amount	Interest Rate
2011	\$2,255,000	3.000%
2012	2,320,000	3.000
2013	2,390,000	5.000
2014	400,000	4.000
2014	2,110,000	5.000
2015	1,460,000	4.000
2015	1,170,000	5.000
2016	2,745,000	3.000
2017	2,835,000	5.000
2018	2,970,000	4.000
2019	3,090,000	5.000
2020	3,245,000	5.000

6

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

"Series 2010A Certificates" means the \$97,545,000 Refunding Certificates of Participation Evidencing an Undivided Proportionate Interests of the Owners thereof in Basic Rent Payments to be made under a Master Lease-Purchase Agreement by The School Board of Hillsborough County, Florida authorized to be issued under Section 4.01 of the Trust Agreement and Section 201 hereof.

"Series 2010A Pledged Accounts" means with respect to the Series 2010A Certificates, the Series 2010A Subaccount of the Costs of Issuance Account, the Series 2010A Subaccount of the Interest Account, the Series 2010A Subaccount of the Principal Account, and the Series 2010A Account of the Prepayment Fund, each established hereby.

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

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

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

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

"Trustee" means The Bank of New York Mellon Trust Company, N.A. (as successor to NationsBank of Florida, N.A.) and any successor or assignee thereto.

"Underwriters" means, collectively, the underwriters named in the Certificate Purchase Contract between such underwriters, the Corporation and the Board executed in connection with the sale of the Series 2010A Certificates.

5

Year (July 1)	Principal Amount	Interest Rate
2021	\$3,410,000	4.000%
2022	3,545,000	4.000
2023	3,385,000	4.000
2023	300,000	4.125
2024	7,500,000	4.125
2024	960,000	4.250
2024	20,805,000	5.000
2025	19,170,000	4.250
2025	1,480,000	4.375
2025	10,000,000	5.000

(d) All of the Series 2010A Certificates shall be Serial Certificates. The Series 2010A Certificates shall be substantially in the form set forth in Exhibit B to the Trust Agreement.

SECTION 202. ISSUANCE OF SERIES 2010A CERTIFICATES. The Series 2010A Certificates shall be issued upon delivery to the Trustee of the documents referred to in Section 4.13(b) of the Trust Agreement and the payment of the purchase price therefor.

SECTION 203. REFUNDING OF REFUNDED CERTIFICATES. Upon the delivery of the Series 2010A Certificates, the Refunded Certificates shall be refunded as provided in the Trust Agreement and the Escrow Deposit Agreement.

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

SECTION 205. FULL BOOK-ENTRY. Notwithstanding the provisions set forth in Section 201 hereof or Section 4.06 of the Trust Agreement, the Series 2010A Certificates shall be initially issued in the form of a separate single certificated fully registered Series 2010A Certificate for each of the maturities of the Series 2010A Certificates. Upon initial issuance, the ownership of each such Series 2010A 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 2010A 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 2010A Certificates shall be registered in the name of Cede & Co.,

7

all payments of interest on the Series 2010A Certificates shall be made by the Trustee by check or draft or by wire transfer to Cede & Co., as Holder of the Series 2010A Certificates.

With respect to Series 2010A 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 2010A 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 2010A 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 2010A Certificates. The Board, the Corporation and the Trustee may treat and consider the Person in whose name each Series 2010A Certificate is registered in the registration books kept by the Trustee as the Holder and absolute owner of such Series 2010A Certificate for the purpose of payment of principal of, premium, if any, and interest with respect to such Series 2010A Certificate, for providing notices with respect to such Series 2010A Certificate, for the purpose of registering transfers with respect to such Series 2010A 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 2010A 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 2010A 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 2010A 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 2010A 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 2010A 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 upon compliance with applicable DTC policies and procedures, that such book-entry only system is burdensome to the Board, the Series 2010A 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 2010A 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 to be executed by the Board and delivered to DTC shall apply to the payment of principal of and interest on the Series 2010A Certificates.

ARTICLE III

APPLICATION OF SERIES 2010A CERTIFICATE PROCEEDS

SECTION 301. APPLICATION OF SERIES 2010A CERTIFICATE PROCEEDS. The proceeds of the Series 2010A Certificates (net of the Underwriters' discount) shall be applied by the Trustee as follows:

(a) Deposit to the credit of a Series 2010A Subaccount of the Costs of Issuance Account an amount equal to the Costs of Issuance of the Series 2010A Certificates, \$368,979.80.

(b) Deposit irrevocably in trust to the credit of the escrow deposit trust fund established under the Escrow Deposit Agreement an amount equal to \$99,925,730.00 which, together with any other sums deposited therein, shall be sufficient to purchase Refunding Securities in the manner set forth in the Escrow Deposit Agreement, which investments shall mature at such times and in such amounts as shall be sufficient to pay the Refunded Certificates as the same mature or are earlier called for prepayment;

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

ARTICLE IV

ESTABLISHMENT OF SERIES 2010A PLEDGED ACCOUNTS

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

(a) The "School Board of Hillsborough County, Florida Master Lease Series 2010A Subaccount of the Costs of Issuance Account."

(b) The "School Board of Hillsborough County, Florida Master Lease Series 2010A Subaccount of the Interest Account."

(c) The "School Board of Hillsborough County, Florida Master Lease Series 2010A Subaccount of the Principal Account."

(d) The "School Board of Hillsborough County, Florida Master Lease Series 2010A Account of the Prepayment Fund."

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

SECTION 402. SECURITY FOR SERIES 2010A CERTIFICATES. The Series 2010A Certificates shall be secured in the manner provided in the Trust Agreement and shall receive all the benefits of the Trust Estate created thereunder; provided, such portion of the Trust Estate (i) which is derived from the sale, re-letting or other disposition of the Series 1999 Project shall be utilized solely for the benefit of the Owners of the Series 2010A Certificates, on a pro rata basis with the Outstanding Series 2001A Certificates and (ii) any cash, securities and investments in the Series 2010A Pledged Accounts shall be utilized solely for the benefit of the Owners of the Series 2010A Certificates. The Owners of the Series 2010A Certificates shall have no claim against, nor receive any benefits from, any portion of the Trust Estate derived from the sale, re-letting or other disposition of Projects, other than the Series 1999 Project (on a pro rata basis with the Outstanding Series 2001A Certificates), or any cash, securities and investments in the Pledged Accounts, other than the Series 2010A Pledged Accounts.

ARTICLE V
PREPAYMENT OF SERIES 2010A CERTIFICATES

SECTION 501. PREPAYMENT DATES AND PRICES OF SERIES 2010A CERTIFICATES. The Series 2010A Certificates are subject to prepayment only as provided in this Section.

(a) The Series 2010A Certificates are subject to extraordinary prepayment, in whole or in part, on a pro rata basis with the Outstanding Series 2001A Certificates, on any Mandatory Prepayment Date (if in part, in any order of maturity as directed by the Board or, in the absence of such direction, in inverse order of maturity and by lot within maturities), without prepayment premium, at a Prepayment Price equal to the principal amount thereof, together with accrued interest to the Mandatory Prepayment Date, from the Net Proceeds of insurance or condemnation related to the Series 1999 Project deposited with the Trustee pursuant to Section 5.08(d) of the Lease Agreement. For purposes of this paragraph, the Mandatory Prepayment Date shall be the next succeeding Payment Date; provided, however, if such Payment Date occurs within forty (40) days of receipt by the Trustee of the moneys to be used for such prepayment, the Mandatory Prepayment Date shall be the second succeeding Payment Date.

(b) The Series 2010A Certificates maturing on and before July 1, 2020 shall not be subject to prepayment at the option of the Board. The Series 2010A Certificates maturing on and after July 1, 2021 may be prepaid at the option of the Board from prepayments of Basic Rent made by the Board pursuant to the Lease Agreement, in whole or in part on July 1, 2020 or any date thereafter, and if in part, by lot within a maturity in such manner as may be designated by the Trustee, at a Prepayment Price equal to the principal amount of the Series 2010A Certificates or portion thereof to be prepaid, plus accrued and unpaid interest thereon to the optional prepayment date, without premium.

(c) Notwithstanding any provisions 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 any notice of any prepayment of Series 2010A Certificates shall either (i) 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 2010A Certificates to be prepaid, or (ii) be sent only if sufficient funds or Refunding Securities to pay the full Prepayment Price of the Series 2010A Certificates to be prepaid is on deposit in the applicable account or subaccount. 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 2010A Certificates

12

ARTICLE VI
MISCELLANEOUS

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

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

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

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

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

[Remainder of page intentionally left blank]

14

shall be called for prepayment upon the notice and in the manner provided in Article V of the Trust Agreement.

13

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

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

(SEAL)

Vice President

HILLSBOROUGH SCHOOL BOARD LEASING CORPORATION, as Lessor

(SEAL)

By: _____
President

ATTEST:

By: _____
Secretary

THE SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA, as Lessee

(SEAL)

By: _____
Chair

ATTEST:

By: _____
Superintendent/Secretary

15

SCHEDULE 1

LETTER OF INSTRUCTIONS

The School Board of Hillsborough County, Florida
Tampa, Florida

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

Hillsborough School Board Leasing Corporation
Tampa, Florida

Re: \$97,545,000 Refunding Certificates of Participation (School Board of Hillsborough County, Florida Master Lease Program), Series 2010A Evidencing an Undivided Proportionate Interest of Owners thereof in Basic Rent Payments to be made under a Master Lease-Purchase Agreement by The School Board of Hillsborough County, Florida

Ladies and Gentlemen:

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

The Series 2010A Certificates have been issued pursuant to a Master Trust Agreement, dated as of April 1, 1994, as amended and supplemented, including, in particular, by the Series 2010A Supplemental Trust Agreement, dated as of April 1, 2010 (collectively, the "Trust Agreement"), among The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "Trustee"), the Hillsborough School Board Leasing Corporation, a Florida not-for-profit corporation, as lessor (the "Corporation"), and The School Board of Hillsborough County, Florida, a school board of the State of Florida, as lessee (the "Board"). The Series 2010A Certificates represent undivided proportionate interests of the Owners of the Series 2010A Certificates in a portion of the

S-1

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

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

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

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

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

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

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

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

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

S-3

Basic Rent Payments to be made under a Master Lease-Purchase Agreement, dated as of April 1, 1994, as amended and supplemented, in particular as amended and supplemented by Second Amended and Restated Lease Schedule No. 1999, dated as of April 1, 2010 (collectively, the "Lease Agreement"), between the Corporation and the Board. Pursuant to an Assignment of Lease Agreement, dated as of April 1, 1994, between the Corporation and the Trustee, the Corporation has assigned all of its rights, title and interest in and to the Second Amended and Restated Lease Schedule No. 1999 (other than certain rights and obligations specifically excepted therein), including, without limitation, the right to receive the Basic Rent Payments, when due, to the Trustee for the benefit of the Owners of the Series 2010A Certificates and the Owners of the Outstanding 2001A Certificates.

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

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

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

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

S-2

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

"Issue Date" means April 15, 2010.

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

"Nonpurpose Investment" shall have the meaning ascribed to such term in Section 148 of the Code and shall include any Investment Property in which Gross Proceeds are invested which is not acquired to carry out the governmental purpose of the Series 2010A Certificates, e.g., obligations acquired with Gross Proceeds that are invested temporarily until needed for the governmental purpose of the Series 2010A Certificates, that are used to discharge a prior issue, or that are invested in a reasonably required reserve or replacement fund.

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

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

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

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

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

"Qualified Administrative Costs" means reasonable, direct administrative costs, other than carrying costs, such as separately stated brokerage and selling commissions that are comparable to those charged nongovernmental entities in transactions not involving tax-exempt bond proceeds, but not legal and accounting fees, recordkeeping, custody or similar costs. In addition, with respect to a guaranteed investment contract or investments purchased for a yield restricted defeasance escrow, such costs will be considered reasonable if (1) the amount of the fee the Board treats as a Qualified Administrative Cost does not exceed the lesser of (a) \$35,000 (for calendar year 2010), or

S-4

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

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

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

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

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

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

S-5

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

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

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

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

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

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

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

3. Payment of Rebatable Arbitrage.

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

S-7

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

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

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

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

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

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

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

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

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

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

S-6

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

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

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

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

S-8

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

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

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

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

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

(b) Arm's-length price. Any transaction in which a Nonpurpose Investment is directly purchased with Gross Proceeds, or in which a Nonpurpose Investment allocable

to Gross Proceeds is disposed of, shall be undertaken in a bona fide arm's-length manner, and no amount shall be paid to reduce the yield on the Nonpurpose Investment.

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

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

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

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

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

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

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

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

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

S-9

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

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

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

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

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

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

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

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

(B) The lowest cost bona fide bid (including any broker's fees) is not greater than the cost of the most efficient portfolio comprised exclusively of State and Local Government Series

Securities from the United States Department of the Treasury, Bureau of Public Debt. The cost of the most efficient portfolio of State and Local Government Series Securities is to be determined at the time that bids are required to be submitted pursuant to the terms of the bid specifications. If such State and Local Government Series Securities are not available for purchase on the day that bids are required to be submitted because sales of those securities have been suspended, the cost comparison described in this paragraph is not required.

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

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

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

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

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

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

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

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

5. Records. The Board and the Trustee should retain all records with respect to the calculations required by this letter for at least six years after the date on which the

last of the principal of and interest on the Series 2010A Certificates has been paid, whether upon maturity, redemption, or acceleration thereof.

6. Modification Upon Receipt of Special Counsel Opinion.

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

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

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

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

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

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

S-13

APPENDIX I

ALLOCATION AND ACCOUNTING RULES

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

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

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

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

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

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

Respectfully submitted,

NABORS, GIBLIN & NICKERSON, P.A.

Acknowledged:

THE SCHOOL BOARD OF HILLSBOROUGH
COUNTY, FLORIDA

By: _____
Chair

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

By: _____
Vice President

HILLSBOROUGH SCHOOL BOARD
LEASING CORPORATION

By: _____
President

S-14

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

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

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

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

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

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

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

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

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

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APPENDIX E

FORM OF MASTER LEASE AND SERIES 1999 LEASE AGREEMENT

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MASTER LEASE-PURCHASE AGREEMENT

by and between

**HILLSBOROUGH SCHOOL BOARD LEASING CORPORATION,
as Lessor**

and

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

Dated as of April 1, 1994

TABLE OF CONTENTS

	Page
ARTICLE I	
DEFINITIONS AND GENERAL PROVISIONS	
SECTION 1.01. DEFINITIONS	1
SECTION 1.02. RULES OF CONSTRUCTION	1
ARTICLE II	
RECITALS	
SECTION 2.01. STATUS AND POWERS OF CORPORATION	2
SECTION 2.02. STATUS AND POWERS OF BOARD	2
SECTION 2.03. PURPOSE OF AGREEMENT	2
SECTION 2.04. RELATED AGREEMENTS	2
SECTION 2.05. CONSTRUCTION OF THIS LEASE AGREEMENT	3
ARTICLE III	
ACQUISITION OF PROJECTS; BOARD TO BE AGENT OF CORPORATION	
SECTION 3.01. DEPOSIT OF MONEYS; LEASE SCHEDULES	4
SECTION 3.02. RIGHT OF ENTRY	5
SECTION 3.03. ACQUISITION AND CONSTRUCTION OF THE PROJECTS	5
SECTION 3.04. PAYMENT OF COSTS OF ISSUANCE	8
SECTION 3.05. LIMITATIONS ON ACQUISITION AND CONSTRUCTION	8
SECTION 3.06. WARRANTIES; DISCLAIMERS	8
SECTION 3.07. UNEXPENDED MONEYS	9
SECTION 3.08. APPOINTMENT OF AGENCY	9
ARTICLE IV	
LEASE OF PROJECTS; LEASE PAYMENTS	
SECTION 4.01. LEASE OF PROJECTS	12
SECTION 4.02. TERM OF AGREEMENT	12
SECTION 4.03. LEASE PAYMENTS	12
SECTION 4.04. PAYMENT IN LAWFUL MONEY; NO SET-OFF	16
SECTION 4.05. SOURCE OF LEASE PAYMENTS	16
SECTION 4.06. OPTIONAL PREPAYMENT; DEFEASANCE	17
SECTION 4.07. TITLE	19
ARTICLE VII	
EVENT OF NON-APPROPRIATION; EVENTS OF DEFAULT AND REMEDIES	
SECTION 7.01. EVENT OF NON-APPROPRIATION	45
SECTION 7.02. EVENTS OF DEFAULT	46
SECTION 7.03. REMEDIES ON DEFAULT	47
SECTION 7.04. PROCEEDS OF SALE OR RE-LETTING	48
SECTION 7.05. APPOINTMENT OF CORPORATION AS AGENT	49
SECTION 7.06. NON-WAIVER	49
SECTION 7.07. REMEDIES NOT EXCLUSIVE	50
SECTION 7.08. STATUS QUO ANTE	50
ARTICLE VIII	
ADMINISTRATIVE PROVISIONS	
SECTION 8.01. PRESERVATION AND INSPECTION OF DOCUMENTS	51
SECTION 8.02. PARTIES OF INTEREST	51
SECTION 8.03. NO RECOURSE UNDER AGREEMENT	51
SECTION 8.04. NOTICES	51
SECTION 8.05. BINDING EFFECT	52
SECTION 8.06. SEVERABILITY	52
SECTION 8.07. HEADINGS	52
SECTION 8.08. APPLICABLE LAW	52
SECTION 8.09. CORPORATION AND BOARD REPRESENTATIVES	52
SECTION 8.10. FURTHER ASSURANCES	53
SECTION 8.11. CERTIFICATE OF OFFICERS	53
SECTION 8.12. BUSINESS DAYS	53
SECTION 8.13. EFFECT OF DISSOLUTION OF CORPORATION	53
SECTION 8.14. MEMORANDUM	53
SECTION 8.15. RADON GAS	53
SECTION 8.16. COUNTERPARTS	54
EXHIBIT A	DEFINITIONS A-1
EXHIBIT B	FORM OF REQUISITION FOR PAYMENTS OF PROJECT COSTS B-1
EXHIBIT C	FORM OF LEASE SCHEDULE C-1
EXHIBIT D	MEMORANDUM OF LEASE AND NOTICE OF OPTION D-1

ARTICLE V

COVENANTS; REPRESENTATIONS AND WARRANTIES

SECTION 5.01. THE BOARD'S GENERAL COVENANTS	21
SECTION 5.02. ADDITIONAL COVENANTS, REPRESENTATIONS AND WARRANTIES	24
SECTION 5.03. QUIET ENJOYMENT	25
SECTION 5.04. PUBLIC LIABILITY AND PROPERTY DAMAGE INSURANCE	26
SECTION 5.05. FIRE AND EXTENDED COVERAGE INSURANCE	26
SECTION 5.06. NET PROCEEDS OF INSURANCE; FORM OF POLICIES	27
SECTION 5.07. SELF-INSURANCE	28
SECTION 5.08. RISK OF LOSS; STIPULATED LOSS VALUES; USE OF PROCEEDS	28
SECTION 5.09. PAYMENT OF TAXES	30
SECTION 5.10. CARE AND USE OF	30
SECTION 5.11. [RESERVED]	31
SECTION 5.12. OTHER LIENS	31
SECTION 5.13. ENCUMBRANCES OR SALES	32
SECTION 5.14. SUBSTITUTION OF EQUIPMENT	32
SECTION 5.15. PROSECUTION AND DEFENSE OF SUITS	33
SECTION 5.16. FURTHER ASSURANCES	34
SECTION 5.17. REPORTING REQUIREMENTS	34
SECTION 5.18. CORPORATION NOT LIABLE	34
SECTION 5.19. INDEMNIFICATION DUE TO TRUSTEE AND CORPORATION	34
SECTION 5.20. NO RECOURSE UNDER AGREEMENT	35
SECTION 5.21. RESTRICTION AGAINST PLEDGE	35
SECTION 5.22. ASSIGNMENT BY CORPORATION	35
SECTION 5.23. NO VIOLATION OF OTHER AGREEMENTS	35
SECTION 5.24. DEBT NOT ASSUMED BY CORPORATION	36
SECTION 5.25. CONSENT TO DISMISS	36
SECTION 5.26. WAIVER OF LAWS	36
SECTION 5.27. LIMITATION OR INDEMNIFICATION	36
SECTION 5.28. VEHICLES	36
SECTION 5.29. WAIVER OF DAMAGES	36
SECTION 5.30. OFFSET STATEMENT	37
SECTION 5.31. NON-MERGER OF LEASEHOLD	37
SECTION 5.32. ENVIRONMENTAL MATTERS	38

ARTICLE VI

ASSIGNMENT; SUBLEASING; NET LEASE; AMENDMENT

SECTION 6.01. ASSIGNMENT AND SUBLEASING BY THE BOARD	42
SECTION 6.02. TRANSFER OF TAX BENEFITS	42
SECTION 6.03. TAX COVENANTS	43
SECTION 6.04. NET LEASE	43
SECTION 6.05. AMENDMENT	44

MASTER LEASE-PURCHASE AGREEMENT

THIS MASTER LEASE-PURCHASE AGREEMENT, is made and entered into as of April 1, 1994 (the "Lease Agreement"), by and between HILLSBOROUGH SCHOOL BOARD LEASING CORPORATION, a single-purpose, not-for-profit corporation organized and existing under the laws of the State of Florida (the "Corporation"), and the SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA, a school board duly organized and existing under the laws of the State of Florida (the "Board"), acting as the governing body of the Hillsborough County School District;

WITNESSETH:

In consideration of the mutual covenants hereinafter contained and for other valuable consideration, the parties hereto do hereby agree as follows:

ARTICLE I

DEFINITIONS AND GENERAL PROVISIONS

SECTION 1.01. DEFINITIONS. The capitalized words and terms used herein shall have the meanings assigned to such words and terms in Exhibit A attached hereto, unless the context clearly requires some other meaning.

SECTION 1.02. RULES OF CONSTRUCTION. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context otherwise indicates, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include corporations and associations, including public bodies, as well as natural persons.

The terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms, as used in this Lease Agreement, refer to this Lease Agreement.

ARTICLE II

RECITALS

SECTION 2.01. STATUS AND POWERS OF CORPORATION. The Corporation is a not-for-profit corporation duly organized and existing pursuant to Chapter 617, Florida Statutes, and is authorized to purchase and to sell or lease or otherwise dispose of property. Pursuant to such authority, the Corporation is authorized to undertake and perform the actions and duties more particularly described herein.

SECTION 2.02. STATUS AND POWERS OF BOARD. The Board is a school board of the State of Florida and is authorized by the laws and Constitution of the State of Florida, particularly the Act, to lease-purchase and acquire real and personal property for the common benefit and in furtherance of its public purposes.

SECTION 2.03. PURPOSE OF AGREEMENT. In order to provide for its governmental and proprietary needs and in furtherance of its public purposes, the Board desires from time to time to lease Projects from the Corporation. The Corporation is able and willing, for adequate consideration, to lease such Projects to the Board.

SECTION 2.04. RELATED AGREEMENTS. The parties hereto acknowledge, approve of, and consent to the terms of the following documents:

(a) the Assignment of Lease Agreement, pursuant to which the Corporation assigns by outright assignment all of its right, title and interest in this Lease Agreement to the Trustee, other than its rights of indemnification, its right to enter into Lease Schedules from time to time and its obligations provided in Section 6.03 of the Lease Agreement;

(b) the Ground Lease(s), pursuant to which the Board has or will demise the Premises (as defined in Exhibit A attached hereto) to the Corporation and granted a leasehold estate in the portions of the Projects on or being part of the Premises and not otherwise excluded thereunder;

(c) the Assignment(s) of Ground Lease Agreement, pursuant to which the Corporation by outright assignment assigns all of its right, title and interest in the Ground Lease(s) to the Trustee; and

(d) the Trust Agreement pursuant to which the Trustee, the Board and the Corporation agree to implement this Lease Agreement by providing from time to time for the delivery of Series of Certificates to fund the Projects, for the administration of

2

ARTICLE III

ACQUISITION OF PROJECTS; BOARD TO BE AGENT OF CORPORATION

SECTION 3.01. DEPOSIT OF MONEYS; LEASE SCHEDULES. (a) In order to induce the Board to lease a Project from the Corporation and to assure the Board that the moneys needed to pay the Costs of such Project and Costs of Issuance relating to such Project will be available without delay, the Corporation and the Board, simultaneous with the delivery of a Lease Schedule relating to such Project by the Board, shall cause to be deposited with the Trustee, the proceeds of the Series of Certificates which shall finance the acquisition, construction and installation of such Project. Such proceeds shall be deposited in such funds, accounts and subaccounts established pursuant to the Trust Agreement as shall be described in the Lease Schedule relating to such Project and the Supplemental Trust Agreement pursuant to which such Series of Certificates are authorized to be issued.

(b) Whenever the Board, in its discretion, determines to lease a Project hereunder, it shall prepare and submit to the Corporation a Lease Schedule relating to such Project. Such Lease Schedule shall be in substantially the form set forth as Exhibit C hereto. The Corporation shall have no obligation to acquire, construct or install, or cause to be acquired, constructed or installed pursuant to Section 3.03 hereof, any portion of a Project until the Corporation has been furnished with a Lease Schedule describing such Project and complying with the provisions of the following paragraph.

(c) Each Lease Schedule submitted by the Board to the Corporation shall be accompanied by the following items:

(i) A certified copy of a resolution duly adopted by the Board authorizing the lease-purchase of the Project described in the Lease Schedule, the Lease Schedule and the Supplemental Trust Agreement relating to the Series of Certificates for which such Lease Schedule was established;

(ii) A certificate of the Chairman of the Board reaffirming the Board's covenants, representations and warranties made hereunder, except as modified by the Lease Schedule, and stating no default has occurred and is continuing under this Lease Agreement;

(iii) An executed copy of the applicable Ground Lease relating to the Project described in the Lease Schedule;

4

certain funds, accounts and subaccounts for the benefit of the Owners and, under the circumstances contemplated in such Trust Agreement and in this Lease Agreement, the exercise by the Trustee of certain remedies for the benefit of the Owners.

SECTION 2.05. CONSTRUCTION OF THIS LEASE AGREEMENT. For all purposes of this Lease Agreement, reference to the "assignee" of the Corporation means the Trustee acting on behalf of the Owners of the Certificates issued pursuant to the Trust Agreement.

3

(iv) An executed copy of the Supplemental Trust Agreement relating to the issuance of the Series of Certificates which shall fund the Project described in the Lease Schedule;

(v) An executed copy of a Memorandum of Lease with respect to the Project described in the Lease Schedule; and

(vi) An executed copy of a Memorandum of Ground Lease with respect to the Project described in the Lease Schedule.

SECTION 3.02. RIGHT OF ENTRY. In order to enable the Corporation to carry out the terms of this Lease Agreement, to provide for the acquisition, construction and installation of the Projects and to facilitate the exercise of remedies upon an Event of Default or Event of Non-Appropriation hereunder, the Board hereby grants a right of entry to the Corporation, its agents and assignees, including, without limitation, the Trustee, and, subject to the provisions of Section 7.03 hereof, at reasonable times and upon reasonable notice, to each of the Projects. The Board represents that it is empowered to grant such right of entry to the Trustee and the Corporation.

SECTION 3.03. ACQUISITION AND CONSTRUCTION OF THE PROJECTS. (a) The Corporation shall provide for the acquisition, construction and installation of each Project by the Board, as agent of the Corporation, pursuant to applicable State law and Section 3.08 hereof. Title to each Project shall be in the name of the Corporation, except as otherwise provided in Section 4.07 hereof or in Section 7.07 of the Trust Agreement. The Trustee shall establish a separate subaccount in the Project Account for each Project leased hereunder in accordance with Section 6.02 of the Trust Agreement. Amounts on deposit in each subaccount of the Project Account held by the Trustee pursuant to the Trust Agreement shall be disbursed by the Trustee to the Board or the Person designated by the Board to pay Costs of the Project for which such subaccount was established. Such disbursements shall be made pursuant to Requisitions submitted by the Board to the Trustee in accordance with the procedures set forth in the Trust Agreement. Such Requisitions shall be in the form set forth as Exhibit B hereto and shall be accompanied by such further documentation as set forth herein and in Section 6.03 of the Trust Agreement. The Corporation hereby agrees that the Board may be reimbursed for expenditures of moneys made by the Board for Project Costs in anticipation of the issuance of Certificates to fund such Project Costs by filing Requisitions, with the documentation required by Section 6.03 of the Trust Agreement. The Board hereby agrees that, upon its receipt of such reimbursement, the title to any portion of a Project previously acquired will be transferred to the Corporation other than Designated Equipment.

(b) The Corporation and the Board agree that they will assure that each Project will be acquired, constructed and installed in

5

accordance with the Plans and Specifications. The Corporation and the Board further agree that each Project will be acquired, constructed and installed in accordance with the Project Budget and the Project Schedule relating thereto, which shall be provided in the Lease Schedule for such Project. The Board may, at any time prior to the Completion Date for a Project, make modifications to such Project and substitute items or components constituting a portion of such Project, subject to the provisions of this Section 3.03(b), if (i) the Board files with the Trustee, as assignee of the Corporation, a certificate of an Authorized Officer of the Board notifying the Trustee of such modification, addition or substitution, identifying the portion of such Project which is modified, added or substituted, and certifying that after such modification, addition or substitution, amounts on deposit in the subaccount of the Project Account relating to such Project, together with interest earnings thereon and any additional legally available sums of the Board deposited therein, will be sufficient to pay all remaining Costs of such Project, including Project Costs incurred in connection with such modification, addition or substitution and any Project Costs which shall have accrued but remain unpaid as of such date, (ii) if the modification, addition or substitution involves Equipment, either the items of substituted Equipment have a useful life equal to or greater than the useful life of the items of Equipment for which it has been substituted or the Credit Enhancer, if any, of the Certificates which shall finance the acquisition of such Equipment approves of a shorter useful life for such substituted Equipment, (iii) the Plans and Specifications, the Project Description, the Project Budget, the Project Schedule and, if necessary, the Estimated Completion Date for such amended or modified Project are each amended, as necessary, to take into account the portion of such Project which is modified, added or substituted, (iv) except as otherwise provided in Section 4.07 hereof, title to the substituted, added or modified portion of the Project shall be in the name of the Corporation, (v) if the modification or substitution involves Equipment, the substituted, added or modified Equipment shall be placed in the same Group as the Equipment for which there has been a substitution or the Credit Enhancer, if any, of the Certificates which shall finance the acquisition of such Equipment approves of the substituted or modified Equipment being placed in a different Group, and (vi) no change shall be made in the schedule of Basic Rent Payments. If the total Costs of such Project exceed the amount estimated therefor, the Board shall take the actions set forth in Section 3.05 hereof as a condition precedent to such modification, addition or substitution. The Board agrees not to lease-purchase any Equipment hereunder except to the extent consented to by the Department or otherwise permitted by applicable law.

(c) For purposes of this Lease Agreement, all materials and services in respect of which amounts are paid by the Trustee for the acquisition, construction and installation of a Project

6

The Board shall take possession of each Project, or portion thereof, upon delivery and acceptance and, where applicable, substantial completion of installation thereof. No delay in the completion of a Project, or any portion thereof, nor any extension of the Estimated Completion Date as permitted herein shall relieve the Board of its obligation to pay the Lease Payments to the extent provided herein.

(f) The Corporation and the Board shall at all times keep title to each Project and their respective interests hereunder and under the Ground Lease(s) free and clear of all liens and encumbrances of every kind whatsoever, except Permitted Encumbrances.

SECTION 3.04. PAYMENT OF COSTS OF ISSUANCE. Payment of Costs of Issuance for each Series of Certificates shall be made pursuant to Requisitions from moneys deposited with the Trustee in the subaccount of the Costs of Issuance Account established for such Series. Costs of Issuance shall be disbursed in accordance with and upon compliance with Section 6.04 of the Trust Agreement.

SECTION 3.05. LIMITATIONS ON ACQUISITION AND CONSTRUCTION. The amount of moneys available under the Trust Agreement to pay for Project Costs and Costs of Issuance for each Project is limited to an aggregate dollar amount of not more than the Maximum Cost provided in the Lease Schedule for such Project. If the Board agrees to an increase in the cost with respect to any portion of a Project or there is a cost overrun as a result of a substitution or modification in a Project as described in Section 3.03(b) hereof, and in either case, the amount in the subaccount of the Project Account relating thereto, together with interest earnings thereon, is not sufficient to pay such Project Costs and complete the acquisition, construction and installation of such Project, then the Board either (a) shall deposit to the credit of such subaccount of the Project Account the additional funds necessary to reduce such deficiency to zero (as certified to the Trustee in writing by an Authorized Officer of the Board), or (b) shall provide to the Corporation an amended Project Budget showing changes to such Project the result of which is no cost deficiency and certified to the Trustee as accurate in writing by an Authorized Officer of the Board.

SECTION 3.06. WARRANTIES; DISCLAIMERS. The Board, upon execution of a Requisition for any portion of a Project, thereby shall represent, without further act, that it has (a) thoroughly inspected such portion of such Project described therein, and (b) satisfied itself that such portion of such Project is suitable for its purposes. THE CORPORATION, NOT BEING THE VENDOR, THE DEVELOPER OR THE CONTRACTOR OF ANY PROJECT OR THE VENDOR'S AGENT, DEVELOPER'S AGENT OR CONTRACTOR'S AGENT, MAKES NO WARRANTY OR REPRESENTATIONS, EITHER EXPRESS OR IMPLIED, AS TO THE TITLE TO, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, DESIGN OR CONDITION OF, OR AS TO

(including moneys disbursed pursuant to Section 6.04 of the Trust Agreement for Costs of Issuance) shall be deemed accepted by the Board hereunder upon execution of the corresponding Lease Schedule and the Board shall thereby be deemed to have agreed that it has received valuable consideration for the portion of the Basic Rent representing Costs of Issuance and will, subject to the provisions of Section 7.01 hereof, pay the Lease Payments in respect of same. The provisions of this Section 3.03(c) shall not in any way limit or affect the Corporation's or the Board's rights to pursue warranty or other claims arising therefrom against any contractor, vendor or supplier of labor or materials of a Project, or any portion thereof. Each Requisition executed by the Board and submitted to the Trustee shall certify that the Board has inspected and accepted the portion of the Project which is the subject of such Requisition. Execution by the Board of a Requisition shall constitute full approval and acceptance of the items or portions of the Project identified therein for all purposes hereunder.

(d) The Corporation and the Board further agree to assure that, where applicable, the Contractors and Developers of a Project involving construction of a Building carry appropriate performance bonds, agree to liquidated damages on a daily basis for construction and delivery delays and comply with workers' compensation laws and affirmative action standards of the Board; provided, however, that (i) this provision shall not apply to any contract the total payments on which do not exceed \$100,000 and (ii) this provision shall not prohibit or limit the Board to provide for actual damages with respect to design or construction defects. Proceeds of liquidated damages received by the Corporation or the Board shall be deposited, before the Completion Date, into the subaccount of the Project Account relating to such Project and, after the Completion Date, into the subaccount of the Interest Account relating to such Project to be held for Basic Rent Payments; provided, however, that if liquidated damages are to be imposed through withholding payment from the Contractors, then the Board shall direct the Trustee to withdraw from the subaccount of the Project Account relating to such Project an amount equal to said liquidated damages and to deposit such amount in the subaccount of the Interest Account relating to such Project.

(e) The Estimated Completion Date of a Project may be extended if the Trustee shall receive an amended Lease Schedule but in no event shall such date extend beyond the third anniversary of the date of issuance of the Certificates financing said Project (unless the Estimated Completion Date has, pursuant to certification complying with the provisions of the Code, been initially established beyond the third anniversary, in which case such date shall not be extended past the date initially established) unless the Trustee shall receive an opinion of Special Counsel that such extension will not cause the Interest Component on the Basic Rent Payments to become includible in gross income of the recipients thereof for the purpose of federal income taxation.

7

THE QUALITY, CAPACITY OF THE MATERIAL OR WORKMANSHIP IN ANY PROJECT OR ANY WARRANTY THAT ANY PROJECT WILL SATISFY THE REQUIREMENTS OF ANY LAW, RULE, SPECIFICATIONS OR CONTRACT WHICH PROVIDES FOR SPECIFIC MACHINERY, OPERATORS OR SPECIAL METHODS. It is agreed that all such risks, as among the Corporation and the Board, are to be borne by the Board at its sole risk and expense, and the Board hereby agrees to look solely to the Vendors, Contractors or Developers of the Projects for all such matters. THE CORPORATION MAKES NO PATENT WARRANTIES OR REPRESENTATIONS WHATSOEVER. THE CORPORATION SHALL NOT BE LIABLE FOR ANY ACTUAL, CONSEQUENTIAL, INDIRECT OR SPECIAL DAMAGES.

SECTION 3.07. UNEXPENDED MONEYS. The Corporation and the Board agree that unexpended moneys remaining in a subaccount of the Costs of Issuance Account funded from a Series of Certificates, shall, upon payment in full of Costs of Issuance relating to such Series, be deposited in the subaccount of the Project Account relating to such Series and that excess moneys, if any, remaining in a subaccount of the Project Account funded from a Series of Certificates shall, on the Completion Date, be applied as a prepayment of Basic Rent Payments for such Series in accordance with Section 6.03(g) of the Trust Agreement.

SECTION 3.08. APPOINTMENT OF AGENCY. (a) The Corporation hereby appoints the Board as its agent to carry out all phases of the acquisition, construction and installation of the Projects, and the Board, as agent of the Corporation, assumes all rights, duties, responsibilities and liabilities of the Corporation regarding acquisition, construction and installation of the Projects, except as limited herein.

(b) The Board, as agent of the Corporation, may enter into any purchase order, agreement or contract required for acquisition, construction and installation of a Project, or any portion thereof, including a turn-key Construction Contract with a Developer, upon being assured that moneys sufficient for the payment thereof are then on deposit in the subaccount of the Project Account related thereto. Each such purchase order, agreement and contract shall be executed by the Board, as agent for the Corporation, in accordance with Section 6A-2, Florida Administrative Code. The benefits of all bids received by the Board for the components of a Project shall be deemed to be assigned by the Board to Corporation. The Board shall comply with all applicable laws in letting contracts or purchase orders in regard to the acquisition, construction and installation of a Project.

(c) Prior to the Completion Date for such Project, the Board, as agent of the Corporation, shall have the right to make any changes in the description of a Project or modify or substitute components thereof, or of any component or portion thereof, whenever the Board deems such changes to be necessary and

9

appropriate; provided, however, that the Board must comply with the provisions of Section 3.03(b) hereof.

(d) The Board, as agent of the Corporation, shall have sole responsibility for, and shall supervise, acquisition, construction and installation of each Project. The Board shall monitor the performance by each Vendor, Developer or Contractor to the extent the Board deems appropriate. The Board shall permit the Corporation, or its assignee, to inspect each Project at any and all reasonable times upon giving the Board prior notice of the inspection. The Corporation or its assignee shall comply with all rules and regulations established by the Board with respect to personal safety and security during such inspections.

(e) The Corporation hereby assigns to the Board all rights and powers to enforce and execute in its own name or the name of the Corporation such purchase orders, agreements or contracts as are required for each Project which enforcement may be at law or in equity; provided, however, that the assignment made by the Corporation herein shall not prevent the Corporation, or its assignee, from asserting said rights and powers in its own behalf following written notice to the Board.

(f) Except with respect to Completion Certificates, the Corporation shall not be responsible for payment of, nor shall it pay nor permit to be paid by Trustee pursuant to the Trust Agreement, any amount for a Project in excess of the amount available therefor in the subaccount of the Project Account related thereto held by Trustee pursuant to the Trust Agreement. The Board shall pay said excess amount as provided in Section 3.05 hereof.

(g) The Corporation, or its assignee, shall have the right to inspect periodically the books and records of the Board relating to each Project, and the Board shall permit the Corporation, or its assignee, to make such inspections thereof at all reasonable times and upon reasonable notice as the Board shall deem appropriate.

(h) The Board agrees that it will be the sole responsibility of the Board that each Project will be acquired, constructed and installed in accordance with the Plans and Specifications, as the same may be amended from time to time as permitted herein. The Board shall be obligated, subject to the conditions stated herein, to pay in full the Lease Payments regardless of whether such Project is acquired, constructed or installed in accordance with the Plans and Specifications.

(i) The Board shall use its best efforts to acquire, construct and install each Project by the dates set forth in the Project Schedule relating thereto. The Board hereby agrees to use its best efforts to obtain, in each Construction Contract, provisions such that if the acquisition, construction or installation of any portion of such Project has not been completed

10

ARTICLE IV

LEASE OF PROJECTS; LEASE PAYMENTS

SECTION 4.01. LEASE OF PROJECTS. In consideration of the payment of the Board to the Corporation, or its assignee, of the Lease Payments and for other valuable consideration, the Corporation hereby leases from time to time each Project to the Board upon the terms and conditions contained herein, as modified by the Lease Schedule relating to such Project. The Board may modify each Project or may substitute or dispose components or portions of a Project as provided in Sections 3.03(b), 5.13 and 5.14 hereof.

SECTION 4.02. TERM OF AGREEMENT. Effective as of the Commencement Date described in the Lease Schedule relating to each Project, the Corporation agrees to rent and lease to the Board and the Board agrees to rent and lease from the Corporation each such Project for the Initial Lease Term. The Initial Lease Term of each Project shall commence on the Commencement Date relating thereto and terminate on the Initial Lease Termination Date relating thereto. Unless this Lease Agreement is terminated pursuant to Sections 4.06, 7.01 or 7.03 hereof, this Lease Agreement will automatically be renewed on the Initial Lease Termination Date for each Project and each succeeding Renewal Term Termination Date relating thereto for the next succeeding Renewal Lease Term until all Lease Payments in regard to all the Projects shall be made and the Certificates are no longer Outstanding. Each Renewal Lease Term shall be for a period of one (1) year. The number of Renewal Lease Terms plus the Initial Lease Term for a Project shall not exceed the Maximum Lease Term described in the Lease Schedule for such Project.

SECTION 4.03. LEASE PAYMENTS. (a) For the right to use and possession of each of the Projects, the Board shall, subject to the provisions of Sections 4.06 and 7.01 hereof, pay to the Trustee, as assignee of the Corporation, the Basic Rent and the Supplemental Rent as hereinafter described.

(b) The Board agrees to pay as lease rental hereunder for each Project, the Basic Rent on or prior to the Basic Rent Payment Dates as set forth in the Lease Schedule relating thereto, as the same may be modified or amended from time to time following any prepayment of Basic Rent for the lease of such Project. Basic Rent Payments consist of a Principal Component and an Interest Component which shall be stated in each Lease Schedule. The portion of Basic Rent attributable to the Interest Component shall not exceed the maximum rate permitted by Section 215.84, Florida Statutes. Each Project may be divided into Groups of leased property as described in the Lease Schedule relating thereto. The Principal Component and Interest Component attributed to each Group of leased property

12

by the Contractor or Developer through the fault of such Contractor or Developer by such dates, the Board may assess liquidated damages against the Contractor or Developer for each day completion is delayed in an amount equal to the part of the Lease Payments associated with such portion of such Project not completed, prorated to obtain a daily rate.

(j) To the extent that a Project consists of the acquisition of Land (rather than improvements to real property), nothing in this Lease Agreement shall be construed to prohibit the acquisition of such Land by the exercise of the power of eminent domain so long as the title to such real property will ultimately vest in the Corporation and so long as such acquisition shall be permitted by applicable law. The Corporation hereby agrees to take all action reasonably requested by the Board to enable the Board to institute and prosecute successfully any eminent domain proceedings instituted by the Board.

11

shall be provided in the Lease Schedule relating thereto. The Board hereby agrees that it shall make all Basic Rent Payments coming due on each Basic Rent Payment Date on or prior to each such Basic Rent Payment Date in accordance with the applicable Lease Schedule, subject to the provisions of Sections 4.06 and 7.01 hereof. THE BOARD SHALL NOT BUDGET AND APPROPRIATE AVAILABLE REVENUES FOR A PORTION OF THE PROJECTS LEASED PURSUANT TO THIS LEASE AGREEMENT; IT MUST BUDGET AND APPROPRIATE LEASE PAYMENTS FOR ALL OF THE PROJECTS DESCRIBED ON ALL LEASE SCHEDULES ENTERED INTO PURSUANT TO THIS LEASE AGREEMENT OR NONE OF THEM. All Basic Rent Payments shall be paid in arrears. The Board shall pay the Basic Rent due hereunder to the Trustee at its Principal Office and the Trustee shall apply same as provided in the Trust Agreement. The Board shall specify which subaccount of the Interest Account and Principal Account the Basic Rent Payments shall be deposited in. To the extent that moneys have been deposited and are available with the Trustee from the proceeds of a Series of Certificates for the purpose of paying Basic Rent relating to a Project pursuant to Section 6.01 of the Trust Agreement, the amount to be appropriated shall not be reduced but the Board shall not be required to transfer funds to the Trustee for payments of such Basic Rent, and the Board shall receive a credit against its obligation to pay such Basic Rent for such amounts on deposit with the Trustee.

(c) Each annual aggregate payment of Basic Rent due hereunder shall be for the right to possess the Projects for each Fiscal Year in which moneys have been appropriated by the Board to pay the Basic Rent coming due in such Fiscal Year, provided that the Basic Rent for the period for which a portion of the proceeds of a Series of the Certificates have been deposited with the Trustee shall be paid from such proceeds, it being hereby acknowledged that said moneys constitute special funds held by the Trustee pursuant to this Lease Agreement and the Trust Agreement to be applied for such purpose.

(d) Commencing with the first Basic Rent Payment Date for the initial Project and on each Basic Rent Payment Date thereafter during which any Projects are leased hereunder, there shall be applied as a credit (provided there are no delinquent Basic Rent Payments) against the aggregate amount of Basic Rent payable on such date for the corresponding Lease Schedule an amount which shall be stated in a report of the Trustee given to the Board pursuant to Section 6.11 of the Trust Agreement, which amount shall be equal to the sum of (i) the amount of interest and other income deposited in each subaccount of the Interest Account pursuant to Sections 6.05 and 6.10 of the Trust Agreement since the date of the previous report made by the Trustee pursuant to Section 6.11 of the Trust Agreement, (ii) the amount of moneys, if any, transferred to subaccounts of the Interest Account and Prepayment Fund pursuant to Section 6.03(g) of the Trust Agreement since the date of the previous report made by the Trustee pursuant to Section 6.11 of the Trust Agreement, (iii) the amount of moneys, if any, transferred to

13

each subaccount of the Interest Account pursuant to Section 6.07(f) of the Trust Agreement since the date of the previous report made by the Trustee pursuant to Section 6.11 of the Trust Agreement, plus (iv) the amount, if any, on deposit in each subaccount of the Principal Account and Interest Account on the date of the report made by the Trustee pursuant to Section 6.11 of the Trust Agreement which is not derived from the sources described in clauses (i), (ii) and (iii) above. In the event that the total amount of credit exceeds the Basic Rent due on the Basic Rent Payment Date for the corresponding Lease Schedule, the amount of said excess shall be applied as a credit against subsequent Basic Rent Payments for such Lease Schedule. In addition, the Basic Rent may be reduced if the Board chooses to prepay any or all of the Basic Rent. Whenever moneys in the Lease Payment Fund, including all subaccounts of the Reserve Account, shall be sufficient to pay the principal of, Amortization Installments, and interest coming due on the Certificates, moneys in the Reserve Account shall be deposited in the corresponding subaccount of the Interest Account and the Principal Account as required to pay the Certificates of such Series, and no further Basic Rent Payments shall be required hereunder. Should any Basic Rent be paid later than the Basic Rent Payment Date to which such Basic Rent pertains, such Basic Rent shall bear interest at the Overdue Rate from such Basic Rent Payment Date to and inclusive of the date of actual payment.

(e) In addition to the Basic Rent, the Board hereby agrees to pay and discharge from time to time as provided herein, as Supplemental Rent, all other amounts, liabilities and obligations which the Board assumes or agrees to pay to the Corporation, the Trustee, any Credit Enhancers or the issuer of any Reserve Account Insurance Policy or Reserve Account Letter of Credit pursuant to the terms and provisions of any agreements between the Board and such parties, or to others with respect to this Lease Agreement, the Trust Agreement or the Projects, together with interest on any overdue amount, at the Overdue Rate to the date of actual payment. Supplemental Rent shall include, but not be limited to, any redemption premium attributable to the Certificates, the fees and expenses (including reasonable counsel fees and expenses) incurred by the Trustee pursuant to the Trust Agreement or hereunder, all fees and expenses of the Corporation relating to the Lease of the Projects or to its corporate existence, and all ongoing expenses relating to the financing of the Projects. The Supplemental Rent shall be paid to Trustee for application in accordance with the terms hereof and of the Trust Agreement.

(f) The Board hereby authorizes the Trustee, as assignee of the Corporation, (i) to create a Reserve Account to be held by the Trustee under the Trust Agreement and to create a separate subaccount within the Reserve Account for each Series of Certificates unless otherwise provided by the Lease Schedule relating thereto, (ii) to deposit in each subaccount of the Reserve Account either a portion of the proceeds from the sale of the

14

Series of Certificates relating thereto or a Reserve Account Letter of Credit/Insurance Policy equal to the Reserve Requirement relating to such Series or combination thereof, and (iii) to use such amounts or amounts drawn on the Reserve Account Letter of Credit/Insurance Policy deposited in each subaccount of the Reserve Account as set forth in Section 6.07 of the Trust Agreement. In the event the aggregate amount of any cash, the value of any Permitted Investments and the stated amount of any Reserve Account Letter of Credit/Insurance Policy in a subaccount of the Reserve Account shall be less than the Reserve Requirement provided therefor, the Board shall pay to the Trustee (x) in the event such deficiency is due to a transfer from the Reserve Account, from moneys budgeted and appropriated as Basic Rent during the current Fiscal Year and (y) in the event such deficiency is due to a reduction in value of amounts on deposit in the Reserve Account, the Board shall pay to the Trustee, in each case as Supplemental Rent, an amount equal to such deficiency within thirty (30) days of receipt of notice of the deficiency from the Trustee. In the event the Trustee makes a draw on a Reserve Account Letter of Credit/Insurance Policy to pay debt service on a Series of Certificates, the Board shall cause the amount which the Trustee can draw upon such Reserve Account Letter of Credit/Insurance Policy to be reinstated to equal the Reserve Requirement for such Series (or its original stated amount, if the Board shall have deposited into the related subaccount of the Reserve Account a combination of cash and a Reserve Account Letter of Credit/Insurance Policy pursuant to this Section). In the event a Reserve Account Letter of Credit/Insurance Policy on deposit in a subaccount of the Reserve Account expires or is terminated, the Board shall, simultaneously with such expiration or termination, either replace such Letter of Credit/Insurance Policy with a subsequent Reserve Account Letter of Credit/Insurance Policy with a stated amount equal to that of the expired or terminated Letter of Credit/Insurance Policy or transfer to the Trustee, for deposit in such subaccount of the Reserve Account in which such Policy had been deposited, an amount of cash equal to the stated amount of such expired or terminated Letter of Credit/Insurance Policy.

(g) The Board hereby agrees to deposit with the Trustee from Available Revenues as required from time to time, any amounts required to be deposited in the Rebate Fund pursuant to Section 6.12 of the Trust Agreement. Such amounts shall be deemed Supplemental Rent hereunder. The obligation of the Board to pay such rebate requirement shall survive a Default or Event of Non-Appropriation, termination of this Lease Agreement and payment of all Outstanding Certificates; provided, however, the Board shall be liable only for such rebate requirement which would be owing to the United States Treasury if the same became due at the time of the termination of the Lease Agreement.

(h) The Corporation and the Trustee are entitled to accept, receive and cash or deposit any payment made by the Board for any

15

reason or purpose in any amount whatsoever. No endorsement or statement on any check or letter of the Board shall be deemed as accord and satisfaction or otherwise recognized for any purpose whatsoever. The acceptance of any such payment shall be without prejudice to the Corporation's and Trustee's right to recover any and all amounts owed by the Board hereunder and the Corporation's and Trustee's right to pursue any other available remedy but in all events payable only from Available Revenues lawfully appropriated to the payment of amounts coming due under this Lease Agreement.

SECTION 4.04. PAYMENT IN LAWFUL MONEY; NO SET-OFF. Each Lease Payment shall be paid by the Board in lawful money of the United States of America, which at the time of payment is legal tender for the payment of public and private debts, to or upon the order of the Corporation at the Principal Office of Trustee or at such other place as the Corporation or its assignee, shall designate. Notwithstanding any dispute between the Board and the Corporation, but in all events subject to Sections 4.06 and 7.01 hereof, the Board shall make or cause to be made each and all Lease Payments when due and shall not withhold or permit to be withheld any Lease Payments pending the final resolution of such dispute nor shall the Board assert or permit to be asserted any right of setoff, abatement or counter-claim against the obligation to make Lease Payments as set forth herein.

SECTION 4.05. SOURCE OF LEASE PAYMENTS. (a) The Board represents and warrants that for each Initial Lease Term and upon the renewal hereof for any Renewal Lease Term for the Projects the obligation of the Board to make Lease Payments hereunder, for such Fiscal Year of the Board, shall constitute a current expense of the Board and shall not in any way be construed to be a debt of the Board in contravention of any applicable constitutional, statutory or charter limitations or requirements concerning the creation of indebtedness by the Board. THE PAYMENTS DUE HEREUNDER ARE TO BE MADE ONLY FROM THE BOARD'S AVAILABLE REVENUES APPROPRIATED FOR SUCH PURPOSE AND NEITHER THE BOARD, THE DISTRICT, THE STATE OF FLORIDA, NOR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF SHALL BE OBLIGATED TO PAY ANY SUMS DUE TO THE CORPORATION OR THE TRUSTEE HEREUNDER FROM SOURCES OTHER THAN APPROPRIATED AVAILABLE REVENUES AND THE FAITH AND CREDIT OF NEITHER THE BOARD, THE DISTRICT, NOR THE STATE OF FLORIDA NOR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF IS PLEDGED FOR PAYMENT OF SUCH SUMS DUE HEREUNDER AND THE OBLIGATIONS ARISING HEREUNDER DO NOT CONSTITUTE AN INDEBTEDNESS OF THE BOARD, THE DISTRICT, OR THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR CHARTER PROVISION OR LIMITATION.

(b) All payments of Basic Rent required to be made by the Board under this Lease Agreement shall be made when due without notice or demand, and, subject to Section 7.01 hereof, shall be absolute and unconditional and without any set-off, counterclaim, abatement, deduction or defense (other than payment) whatsoever.

16

The Board shall not make partial payment of the Basic Rent coming due on any Basic Rent Payment Date.

(c) Subject to the Board's right of Non-Appropriation pursuant to Section 7.01 hereof, the Board hereby covenants to direct its Superintendent to provide for the Lease Payments in each annual tentative Budget which shall be submitted to the Board. Except as otherwise provided in Section 7.01 hereof, the Board agrees to take such action as may be necessary to include all Lease Payments (other than Lease Payments to the extent paid from Certificate proceeds then on deposit in the Lease Payment Fund) due hereunder as a separately stated line item in its Budget and to appropriate in each Fiscal Year from Available Revenues an amount necessary to make the Lease Payments due in such Fiscal Year. During the term of this Lease Agreement, the Board will furnish to the Trustee, as assignee of the Corporation, and each Credit Enhancer a copy of the portion of each official tentative and final Budget of the Board relating to such line item within twenty (20) days after it is printed. Anything in this Lease Agreement or the Trust Agreement notwithstanding, the Board and the Corporation agree that this Lease Agreement, the Trust Agreement and all of the Board's obligations to make the Lease Payments are subject to, and can be terminated by the Board upon the happening of, an Event of Non-Appropriation as described in Section 7.01 hereof; provided, however, that the Board shall not be released from or subject to relief with respect to any obligations on its part arising or accruing prior to such termination including, without limitation, any obligation to deposit rebatable arbitrage in the Rebate Fund which may accrue prior to such termination.

(d) The Board hereby agrees that within three Business Days after the adoption or approval of either the tentative or the final Budget which does not include the full amount of the Lease Payments, it will give notice of that fact to the Trustee and each Credit Enhancer.

(e) In the event the Interest Component of a Basic Rent Payment for the lease of a Project shall be calculated on a variable rate basis, the Board agrees that, subject to Section 7.01 hereof, it shall budget for the payment of such Interest Component for each Fiscal Year an amount equal to such Interest Component which would be payable if it were calculated at the lesser of (i) one hundred twenty percent (120%) of the average interest rate on the Variable Rate Certificates during the immediately preceding six month period (or such lesser period as such Variable Rate Certificates shall have been Outstanding), or (ii) the Maximum Interest Rate relating to such Variable Rate Certificates.

SECTION 4.06. OPTIONAL PREPAYMENT; DEFEASANCE. (a) The Board shall have the option, so long as no Event of Default hereunder has occurred and is continuing, from any moneys then available for such purpose, on any Optional Prepayment Date for the Series of

17

Certificates relating to a Project, to prepay all or a portion of the Basic Rent relating to such Project or Group within such Project upon not less than forty-five (45) days written notice given prior to such Optional Prepayment Date to the Trustee accompanied by the deposit of the amount of such prepaid Basic Rent with the Trustee not less than thirty-five (35) days prior to the applicable Optional Prepayment Date. Optional prepayments made pursuant to this Section 4.06 may be allocated to a particular Project, or any Group of leased property within a Project. Any prepayment notice delivered pursuant to this Section 4.06(a) shall state (i) that the Board is exercising its right of prepayment pursuant to Section 4.06(a) of the Lease Agreement, (ii) the amount of such prepayment and the Lease Schedule or Lease Schedules to which it pertains, (iii) the Optional Prepayment Date to which such prepayment applies, (iv) the amount of prepayment applicable to a Project or Group within a Project and, therefore, to the Series of Certificates and maturities of such Series relating thereto, and (v) that the deposit with the Trustee of such prepaid amount constitutes an irrevocable option of the Board to prepay Basic Rent in the amount of such prepayment. Each prepayment shall be in an amount equal to a principal amount of Certificates (in denominations of \$5,000 or any whole multiple thereof in the case of Current Interest Certificates and in denominations of \$5,000 maturity value and any whole multiples thereof in the case of Capital Appreciation Certificates) to be redeemed on such Optional Prepayment Date, plus the Prepayment Premium, if any, applicable to a redemption of Certificates on the Optional Prepayment Date designated by the Board in such notice of prepayment, all as provided in the Trust Agreement. Interest on Certificates to be redeemed pursuant to an optional prepayment under this Section accrued to the Optional Prepayment Date set forth in the notice of prepayment above shall be paid by the Trustee from moneys on deposit in the account of the Prepayment Fund and the subaccount of the Interest Account which are pledged to the payment of such Certificates.

(b) In the event of a prepayment, in part, of Basic Rent Payments for a Project or Group within a Project, such Basic Rent Payments provided in the Lease Schedule relating thereto shall be adjusted downward by the Trustee to reflect the reduction in the Principal Component and Interest Component of the remaining Basic Rent resulting from such prepayment. Such adjustment shall be done in such manner as to match remaining payments of Basic Rent provided in such Lease Schedule with principal and interest coming due on Certificates which remain outstanding related thereto.

(c) So long as no Event of Default has occurred and is continuing, the Board may secure the payment of Basic Rent for a Project or Group within a Project by a deposit with the Trustee, as provided in Section 12.01 of the Trust Agreement, of either (i) an amount of moneys which is sufficient to pay such Basic Rent, including the Principal Component, Interest Component and

18

an option to purchase such Project or Group within a Project, as the case may be, and fee simple title to such Project or Group within a Project free and clear of all encumbrances, except Permitted Encumbrances, shall vest automatically in the Board. Title to a portion of the Project which has been substituted for pursuant to Section 5.14 hereof and a portion of a Project disposed by the Board pursuant to Section 5.13 hereof shall vest automatically in the Board. The Corporation shall deliver any and all documents required to assure vesting of title. 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 Project or Group within a Project to be in the Board.

(b) Title to all Designated Equipment shall, upon acquisition thereof, vest free and clear in the Board. Even if this Lease Agreement is terminated pursuant to Sections 7.01 or 7.03 hereof prior to the time Basic Rent Payments for Designated Equipment have been made in full by the Board, the Certificate Owners shall have no rights to or remedies against the Designated Equipment.

Prepayment Premium, if any, on the Basic Rent Payment Dates or Optional Prepayment Dates, if applicable, and any Supplemental Rent which may be due, or (ii) Refunding Securities, together with cash, if required, in such amount as will, together with interest to accrue thereon, be fully sufficient to pay such Basic Rent including the Principal Component, Interest Component and Prepayment Premium, if any, on their Basic Rent Payment Dates or Optional Prepayment Dates, if applicable, and any Supplemental Rent which may be due. Upon the Board meeting the requirement of this Section 4.06(c), the Corporation shall be entitled to payment of such Basic Rent Payments solely from such cash and/or Refunding Securities.

(d) In the event Refunding Certificates are issued which refund only a portion of an Outstanding Series of Certificates, the schedule of Basic Rent Payments for the corresponding Project and Group within such Project affected by such Refunding Certificates will remain the same but a credit will be given to the Board by the Trustee to take into account that payment of a portion of the Principal Component and the Interest Component which has been provided for by such refunding or defeasance of such portion of such Certificates from the issuance of said Refunding Certificates.

(e) In the event of a deposit with the Trustee of moneys and/or Refunding Securities for the purpose of paying or providing for payment of Certificates in accordance with Article XII of the Trust Agreement, all covenants, agreements and other obligations of the Board under this Lease Agreement, with respect to such Certificates shall be deemed performed except (i) those provisions hereof which by their express terms survive any such payment and defeasance and (ii) the obligation of the Board to make or cause to be made, Basic Rent Payments and Supplemental Rent payments on or for such Certificates from the moneys and/or Refunding Securities deposited pursuant to said Article XII of the Trust Agreement.

(f) In the event the Board prepays Basic Rent for a Group within a Project pursuant to Sections 4.06(a) or 4.06(c) hereof, such Prepayment shall be allocated, to the extent practicable, to maturities of Certificates relating to such Group.

SECTION 4.07. TITLE. (a) Until the date on which payment, or provision for payment as provided in Section 4.06(c) hereof, of the Lease Payments relating to a Project or Group within a Project, other than Designated Equipment, has been made, title to such Project or Group within a Project (including all substitutions thereto) upon acquisition, construction and installation thereof shall remain vested in the Corporation, subject to Permitted Encumbrances and subject to the terms of the Trust Agreement. At such time as payment, or provision for payment as provided in Section 4.06(c) hereof, of all Lease Payments relating to a Project or Group within a Project, other than Designated Equipment, has been made in full, the Board shall be considered to have exercised

19

ARTICLE V

COVENANTS; REPRESENTATIONS AND WARRANTIES

SECTION 5.01. THE BOARD'S GENERAL COVENANTS. The Board agrees that this Lease Agreement shall continue in full force and effect, subject to the provisions relating to termination hereof, regardless of the inability or unwillingness of the Board to use any Project because of any reason whatsoever, including, but not limited to, war, act of God, war, strike, condemnation, loss or damage, defect, obsolescence or breach of warranty. The Board covenants and represents that this Lease Agreement and the performance of the Board's obligations hereunder have been duly approved, authorized, executed and delivered with all proper procedures fully complied with, and that this Lease Agreement is a valid, legal and binding obligation of the Board enforceable in accordance with its terms, except as limited by bankruptcy, insolvency, reorganization, moratorium or similar laws and equitable principles. The Board further covenants and represents as follows:

(a) The Board is a duly created school board existing under the laws of the State of Florida and is the governing body of the District.

(b) There are no pending or threatened lawsuits or administrative or other proceedings contesting the authority for, authorization or performance of, or expenditure of funds pursuant to, this Lease Agreement.

(c) The Board shall only lease Projects for which it has an immediate need and for which it expects to make immediate use, which need shall not be temporary or be expected to diminish during the Maximum Lease Term related thereto, except for the Designated Equipment.

(d) Prior to leasing any Project hereunder the Board shall certify to the Trustee if there are any circumstances presently known to the Board affecting the Board that could reasonably be expected to alter its foreseeable need for such Project or adversely affect its ability or willingness to budget Available Revenues for the payment of sums due hereunder.

(e) Prior to leasing any Project hereunder the Board shall review its projected revenues, expenses and anticipated Available Revenues for the Maximum Lease Term and shall not lease such Project unless it reasonably expects that it shall have on hand Available Revenues sufficient to timely make all payments as they become due under this Lease Agreement during the term this Lease Agreement is anticipated to be outstanding.

20

21

(f) Subject to the provisions of Section 7.01 of this Lease Agreement, the Board intends to make appropriations for payments for each Fiscal Year only from Available Revenues.

(g) All procedures required by applicable law regarding the award or negotiation of contracts relating to the acquisition, construction and installation of a Project will be complied with by the Board.

(h) At the Corporation's or the Trustee's request, the Board shall execute and deliver to the Corporation or the Trustee all instruments and do all other acts reasonably necessary to effectuate the intent of this Lease Agreement.

(i) The Board shall permit the Corporation and the Trustee, and their representatives and agents, at all reasonable times, to inspect the Projects; provided, however, that the Trustee and the Corporation are not obliged to make any inspections of the Projects.

(j) The Board shall promptly correct (or cause the Vendor, Contractor or Developer to correct) any defect in the acquisition, construction and installation of a Project or departure from the Plans and Specifications related thereto, except to the extent said Plans and Specifications are modified pursuant to the provisions hereof.

(k) The Board shall give the Trustee prompt written notice of any material litigation or proceedings concerning the Board or any Project and of any dispute concerning the Board or any Project if the dispute may substantially interfere with the timely acquisition, construction and installation of such Project or with the Board's ability to meet its obligations under this Lease Agreement.

(l) The Board shall commence (or cause the Contractor or Developer to commence) construction of a Project involving construction of a Building and diligently pursue construction to completion of such Project on or before the Estimated Completion Date without permitting any lien, claim, or assessment (actual or contingent) to be asserted or filed against such Project for any material, labor, or other item furnished in connection with the construction, which claim, lien, or assessment is not satisfied or transferred to bond within twenty (20) days after it is asserted or filed. At all times during the acquisition and construction of such Project, and to the extent required by applicable law, the Board shall, or shall cause the Contractor or Developer to, comply with the Florida Mechanics' Lien Law, Chapter 713, Florida Statutes, and with all requirements imposed by all governmental authorities having jurisdiction over the acquisition and construction and by all insurance underwriters providing insurance for such Project. Except for Construction Contracts which do not

22

amend the Lease Schedule relating thereto and the applicable Ground Lease to include a metes and bounds description of the Land so acquired.

(q) If an Event of Default or an Event of Non-Appropriation hereunder has occurred, at the Trustee's option with the consent of the applicable Credit Enhancer, the Trustee, as assignee of the Corporation, may make, but is not required to make, any or all subsequent disbursements from a subaccount of the Project Account directly to the Vendors, Contractors or Developers of the Project related to such subaccount. The Board's execution of this Lease Agreement and the related Lease Schedules constitutes an irrevocable authorization for the Trustee to make disbursements directly to such Vendors, Contractors or Developers. In the absence of negligence or misconduct on the part of the Trustee, the Board agrees that all disbursements made to the Vendors, Contractors or Developers shall constitute full performance of the Trustee's obligations to the Board under this Lease Agreement. The Trustee's decision to make a disbursement shall not constitute a waiver of any of the provisions of this Lease Agreement and the related Lease Schedules. If the Board is in default under this Lease Agreement and the Board is unable to cure its default, the Trustee's decision to make a disbursement shall not preclude the Trustee, as assignee of the Corporation, from declaring the Board in default under this Lease Agreement.

SECTION 5.02. ADDITIONAL COVENANTS, REPRESENTATIONS AND WARRANTIES. (a) The Board represents and warrants that execution of each Requisition by the Board shall constitute an affirmation of the completeness and accuracy of the following representations and warranties as of the date of such execution:

(i) The Board has delivered to the Trustee a complete, fully executed copy of the Construction Contracts, purchase orders and agreements for the acquisition, construction and installation of the Project described in such Requisition, and such contracts, purchase orders and agreements are presently in full force and effect according to their respective terms; the Board is not in default under such contracts, purchase orders and agreements; and the Board has no knowledge of any violation of such contracts, purchase orders and agreements.

(ii) There are no governmental actions or proceedings (except actions or proceedings that are fully covered by insurance) pending or, to the Board's knowledge, threatened affecting the Board or the Project described in such Requisition, which, if adversely determined, would materially adversely impair the Board's ability to perform its obligations under this Lease Agreement.

(iii) The Board knows of no violation and has no notice of a violation of any court order or of any law, regulation,

24

exceed \$500,000, the Board shall cause each Contractor or Developer to obtain and deliver to the Board performance and payment bonds covering one hundred percent (100%) of the value or costs under each Construction Contract for the construction of such Project.

(m) In the case of a Project involving construction of a Building, the Board shall provide the Corporation, Credit Enhancer for the Certificates the proceeds of which shall be used to finance the acquisition and construction of such Project and the Trustee the following additional assurances:

(i) If requested and applicable, but only as and when available, all certificates of occupancy, footing or Corporation surveys, "as built" surveys, certificates, appraisals, reports, endorsements, and agreements, the names of all Persons with whom the Board has contracted or intends to contract with in connection with the acquisition, construction and installation of such Project, schedules of all statements for labor and materials for the acquisition, construction and installation of such Project together with copies of all statements, copies of all budget revisions concerning the acquisition, construction and installation of such Project indicating the funds required at any given time to complete such acquisition, construction and installation, and any other documents reasonably required to be furnished.

(ii) If requested, during the acquisition, construction and installation of such Project and upon completion of such acquisition, construction and installation, furnish an Architect's or Engineer's written opinion to the effect that such Project, as constructed, complies with all restrictions recorded and with all applicable governmental laws, regulations, rules, ordinances, orders and codes relating to the construction thereof.

(iii) Furnish when available, a certificate of occupancy and all other similar certificate required to be issued by any governmental agency in connection with the acquisition, construction, installation or occupancy of such Project.

(n) In the case of a Project involving construction of a Building, the Board shall continuously employ or cause to be employed a licensed Architect to supervise the acquisition, construction and installation of such Project.

(o) In the case of a Project involving construction of a Building, the Board shall continuously employ or cause to be employed a licensed Engineer to supervise the acquisition, construction and installation of such Project.

(p) Simultaneously with the acquisition of any component of a Project constituting Land, the Corporation and the Board shall

23

ordinance, rule, order, code or requirement of any governmental authority having jurisdiction over all or any portion of the Project described in such Requisition that may materially detrimentally affect the development and operation of such Project as planned.

(iv) In the case of a Project involving construction of a Building, all governmental permits and approvals required for the construction and installation of such Project have been obtained, except for permits which may be obtained in the normal course without undue delay or unusual expense and which the Board hereby covenants to obtain.

(v) All utility services necessary for the construction of the Project and the operation of the Project have been extended to the Project, including, but not limited to, water, storm and sanitary sewer facilities, electricity and telephone service or sufficient amounts have been deposited in the corresponding account of the Project Fund for such purpose.

(vi) Except for drives located on the Project, the rights of way for all roads necessary for the proposed utilization of the Project have either been acquired by the appropriate governmental authority or dedicated to and accepted by the appropriate governmental authority or sufficient amounts have been deposited in the corresponding account of the Project Fund for such purpose. All such roads are improved or, if not improved, all necessary steps have been taken by the Board and the responsible governmental authority to assure their completion before the date when access to the Project via such roads will be necessary. All curb cuts and traffic signals required in connection with the operation of the Project are complete or are approved for construction by all necessary governmental authorities.

(vii) All representations, warranties, covenants and agreements made by the Board in connection with this Lease Agreement may be relied upon by the Corporation and the Trustee notwithstanding any independent investigation made on behalf of the Corporation or the Trustee.

(b) The inability of the Board to affirm the completeness and accuracy of the representations and warranties in Section 5.02(a) hereof in regard to a Requisition shall not cause the Trustee to not honor the request to pay the amounts described in such Requisition unless the Board is in default under this Lease Agreement.

SECTION 5.03. QUIET ENJOYMENT. The parties hereto mutually covenant that the Board, by keeping and performing the covenants and agreements herein contained, shall at all times during the term of this Lease Agreement peaceably and quietly have, hold and enjoy

25

each Project without suit, trouble or hindrance from the Corporation and free from any claims against the Corporation and the Trustee and all persons claiming thereunder, by or through the Trustee or the Corporation.

SECTION 5.04. PUBLIC LIABILITY AND PROPERTY DAMAGE INSURANCE. The Board shall maintain or cause to be maintained, throughout the Lease Term, subject to the requirements of State law and if reasonably available from a commercial carrier, a standard comprehensive general liability insurance policy or policies in protection of the Board and the Corporation (and the Corporation's assigns hereunder), their members, officers, agents and employees. Said policy or policies shall provide for indemnification of said parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by the acquisition, installment or operation of the Projects. Said policy or policies shall provide coverage equal to the liability limits set forth in Section 768.28, Florida Statutes, as the same may be amended from time to time, and in a minimum amount of \$100,000 for damage to property (subject, in each case, to a deductible clause of not to exceed \$25,000). Such liability insurance may be maintained as part of or in conjunction with any other liability insurance coverage 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 hereof. The Net Proceeds of such liability insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which the Net Proceeds of such insurance shall have been paid.

SECTION 5.05. FIRE AND EXTENDED COVERAGE INSURANCE AND FLOOD INSURANCE. (a) 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 Projects by fire or lightning, 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 shall be 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 shall 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). 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 hereof. The Net

26

SECTION 5.07. SELF-INSURANCE. Any self-insurance maintained by the Board pursuant to the foregoing provisions, shall comply with the following terms:

(a) The self-insurance program shall be approved by the Insurance Consultant;

(b) The self-insurance program shall include a sound claims reserve fund out of which each self-insured claim shall be paid; the adequacy of such fund shall be evaluated on an annual basis by the Insurance Consultant; and any deficiencies in the fund shall be remedied in accordance with the recommendations of the Insurance Consultant;

(c) The self-insurance claims reserve fund shall be held in a bank account credited for the purpose of maintaining such self-insurance funds, which bank account may be under the control of the Board and may be commingled with other Board moneys; and

(d) In the event the self-insurance program shall be discontinued, the actuarial soundness of its claims reserve fund shall be maintained; and

(e) The Board may obtain the required insurance coverages through a self-insured governmental pool which meets the criteria described above.

(f) Amounts deposited into the self-insurance claims reserve fund shall not be subject to appropriation by the Board in order to apply such funds to pay claims.

SECTION 5.08. RISK OF LOSS; STIPULATED LOSS VALUES; USE OF PROCEEDS. (a) As between the Corporation and the Board, the Board hereby assumes the entire risk of loss, from any and every cause whatsoever to the Projects.

(b) Except as provided in Section 5.08(c) hereof, the Board shall cause the Net Proceeds relating to a Project of any insurance or condemnation award or of any appropriation made in connection with a self-insurance election received pursuant to Sections 5.05 and 5.07 hereof and of any title insurance award in excess of the Replacement Amount for such Project to be applied to the prompt repair, restoration or replacement of such destroyed, damaged, lost or condemned Project (which repair, restoration or replacement property shall become part of such Project). The title to all replacement portions to such Project, other than Designated Equipment, shall be in the name of the Corporation. Except as otherwise provided herein, any such Net Proceeds shall be deposited with the Trustee in the subaccount of the Project Account from which the acquisition and construction of such Project was financed and shall be disbursed by the Trustee in accordance with the Trust Agreement; provided, however, that any amounts remaining after

28

Proceeds of such insurance shall be applied as provided in Section 5.06 hereof.

(b) Flood insurance shall be separately maintained by the Board for any property included in a 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 and the Credit Enhancer(s), if any, for the Project(s) to which such flood insurance relates. If such Credit Enhancer(s) identify insurance for such coverage at commercially reasonable rates, the Board shall be obligated to obtain such insurance. In the event that such Credit Enhancer(s) 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 hereof.

(c) The insurance required to be maintained by the Board pursuant to this Section 5.05 shall be provided by carriers rated at least "A" by Standard & Poor's Corporation (a "Qualified Insurer") unless the Credit Enhancer(s), if any, for the Project(s) to which such insurance relates shall approve an insurer with a lower rating. If an insurer's rating falls below "A" (or, with respect to an insurer approved as aforesaid with a rating lower than "A", falls below the rating such insurer had when approved), such insurer shall be replaced with a Qualified Insurer unless the Credit Enhancer(s), if any, for the Project(s) to which such insurance relates shall approve an insurer with a lower rating.

SECTION 5.06. NET PROCEEDS OF INSURANCE; FORM OF POLICIES. Each policy of insurance obtained pursuant to or required by Section 5.05 hereof which relates to the Projects shall provide that all proceeds thereunder shall be payable to the Trustee for the benefit of the Owners of the Certificates. Proceeds of self-insurance maintained pursuant to Sections 5.05 and 5.07 hereof shall be paid by the Board to the Trustee for the benefit of the Owners of the Certificates. Copies of all policies of insurance required by this Lease Agreement shall be delivered to the Trustee. The Board shall pay or cause to be paid when due the premiums for all insurance policies required by this Lease Agreement, and shall promptly furnish or cause to be furnished to the Trustee evidence of such payments. All such policies shall provide that the Trustee shall be given not less than thirty (30) days notice of each expiration, any intended cancellation and any intended reduction of the coverage provided thereby. The Trustee shall not be responsible for the sufficiency of any insurance herein required and shall be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss agreed to by the Trustee.

27

completion of such repair, restoration or replacement shall be paid to the Board. If such Net Proceeds are insufficient to pay for such repair, restoration or replacement, the Board shall (from the Board's Available Revenues) simultaneously deposit the amount of such deficiency with the Trustee, which deficiency shall constitute Supplemental Rent. Any Net Proceeds of insurance or condemnation award or of any appropriation made in connection with self-insurance election which is equal to or less than the Replacement Amount for such Project may, at the option of the Board, be deposited to the subaccount of the Interest Account relating to Certificates which financed or refinanced such Project.

(c) The Board may elect not to repair, restore or replace a Project which has been destroyed, damaged, lost or condemned, or any portion thereof, with the Net Proceeds of any insurance or condemnation award or of any appropriation made in connection with a self-insurance election, by filing a certificate with the Trustee stating that (i) it has made such election, (ii) it is not in the best interests of the Board to repair, restore or replace such Project, or portion thereof, and (iii) the Board intends to abandon and cease to operate such Project, or portion thereof, damaged, destroyed, lost or condemned; provided, further, there shall be a Mandatory Prepayment in the amount of the Stipulated Loss Value (as hereinafter described) of the Project, or portion thereof, which is not repaired, restored or replaced, and if the Net Proceeds are insufficient therefor, the deficiency shall constitute Supplemental Rent hereunder and shall be immediately due and payable from the Board's Available Revenues.

(d) The Stipulated Loss Value attributable to a loss of all of a Project shall be computed as the amount necessary to pay the Principal Component of and Interest Component on the Series of Certificates, the proceeds of which financed or refinanced the acquisition and construction of such Project, on the next succeeding Mandatory Prepayment Date. In the event that less than all of a Project then subject to this Lease Agreement suffers such a loss, damage or destruction, the Stipulated Loss Value shall be the product of (i) the result computed by the foregoing sentence multiplied by (ii) a fraction, the numerator of which is the original Cost of the portion of such Project suffering such loss, damage or destruction and the denominator of which is the aggregate Project Cost for the entire Project then subject to this Lease Agreement, including those items suffering such loss, damage or destruction. In each case, the Stipulated Loss Value shall also include any Supplemental Rent then due hereunder. Upon payment of such Stipulated Loss Value by Board, such Stipulated Loss Value shall be deposited to the credit of the account established in the Prepayment Fund for the sole benefit of the Owners of the Series of Certificates, the proceeds of which were used to finance or refinance the acquisition and construction of such Project. In the event of payment of the Stipulated Loss Value of a portion of the Project, the schedule of Basic Rent Payments in the Lease Schedule

29

for such Project shall be adjusted downward by the Trustee to reflect the reduction in the Principal Component and Interest Component and the remaining Basic Rent resulting from such mandatory prepayment. Such adjustment shall be done in such manner as to match remaining aggregate payments of Basic Rent relating to the destroyed, damaged or condemned Project with principal of and interest coming due on the Series of Certificates which remain outstanding, the proceeds of which were used to finance or refinance the acquisition and construction of such Project.

SECTION 5.09. PAYMENT OF TAXES. The Board will pay or cause to be paid all taxes, assessments and other governmental charges, if any, that may be levied, assessed or charged upon any Project, or any part thereof, promptly as and when the same shall become due and payable; provided, however, that the Board shall not be required to pay any such tax, assessment or charge, if the validity thereof shall concurrently be contested in good faith by appropriate proceedings, the interests of the Corporation and the Trustee 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. The Board will not suffer any Project or any part thereof, to be sold for any 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, including the formation and organization of the Corporation, contemplated by this Lease Agreement.

SECTION 5.10. CARE AND USE OF PROJECTS. (a) The Board, at its expense, shall maintain each Project in good operating condition, repair and appearance, and protect same from deterioration other than normal wear and tear; shall cause each Project to be used in compliance with the requirements of applicable laws, ordinances and regulations and the requirements of any policy of insurance required under Sections 5.04 and 5.05 hereof; shall cause each Project to be operated by competent persons only and shall obtain, at the Board's expense, all permits and licenses, if any, required by law for the operation of each Project. The Board agrees that neither the Corporation nor the Trustee shall be responsible for latent defects, wear and tear or gradual deterioration or loss of service or use of any Project or any part thereof. The Board shall have the benefit of all warranties, contracts and rights against any Vendor, Contractor, Developer, materialmen or supplier. Neither the Corporation nor the Trustee shall be liable to the Board or anyone else for any liability, injury, claim, loss, damage or expense of any kind or nature caused directly or indirectly by the inadequacy of any

30

necessary to relieve and release the Project from such claim or in any other manner which, as a matter of law, will result within such period of thirty (30) days in releasing the Corporation and its assignee and Corporation's and its assignee's interest or interests from such claim.

SECTION 5.13. ENCUMBRANCES OR SALES. (a) Except as permitted in this Lease Agreement and except for Permitted Encumbrances, the Board will not create or suffer to be created any mortgage, pledge, lien, charge or encumbrance upon any Project or any portion thereof, or upon any real or personal property (which is not a portion of the Project) essential to the operation of such Project. The Board will not sell or otherwise dispose of any portion of a Project or any such property essential to the proper operation of a Project, except as provided below and in Section 5.14 hereof.

(b) In the manner and subject to the conditions for disposal of property of the Board by law, the Board may sell portions of a Project, other than Equipment, for fair market value upon the following conditions:

(i) The Board shall give notice to the Trustee and the applicable Credit Enhancer, if any, of each such sale not less than thirty (30) days prior to such sale;

(ii) The Board determines pursuant to a certificate of an Authorized Officer that such portion of a Project is no longer needed for the purposes of such Project or such portion should be replaced with property having greater usefulness or value;

(iii) Such disposition shall not, in the opinion of Special Counsel, cause the Interest Component of the Basic Rent Payments received by the Owners of the Certificates to become includible in gross income of such Owners for purposes of federal income taxation; and

(iv) The Board shall use the proceeds of such sales either (A) to provide property (which shall become a part of the Project) of equal usefulness and value to the Board or (B) apply the Stipulated Loss Value (calculated in accordance with Section 5.08(d) hereof) thereof (but only if such value exceeds the corresponding Prepayment Amount) as a prepayment of Basic Rent.

The Corporation and the Trustee (subject to the provisions of the Trust Agreement) agree to take all action within their powers required to enable the Board to sell or otherwise dispose of any such property.

SECTION 5.14. SUBSTITUTION OF EQUIPMENT. Subsequent to the Completion Date of a Project, the Board may substitute for an item of Equipment which constitutes a part of such Project other

Project or any item supplied by any Vendor, Contractor, Developer, materialmen or supplier or any other party, any interruption of use or loss of service or use or performance of any Project, any loss of business or other consequence or damage, whether or not resulting directly or indirectly from any of the foregoing.

(b) All obligations of the Board under this Section shall be at the Board's sole cost and expense. All costs of operation of each Project and all costs of repair and replacement of each Project resulting from ordinary wear and tear or want of care on the part of the Board shall be the sole responsibility of the Board.

SECTION 5.11. [RESERVED].

SECTION 5.12. OTHER LIENS. (a) The Board shall keep each Project and all parts thereof free from judgments and, except as to Permitted Encumbrances, free from all liens, claims, demands and encumbrances of whatsoever nature or character, to the end that each Project may at all times be maintained and preserved, and the Board shall keep each Project free from any claim or liability which might impair or impede the operation of such Project or the security granted in the Trust Estate to Certificate Owners by the Trust Agreement; provided, however, that the Board shall not be required to pay any such liens, claims or demand if the validity thereof shall concurrently be contested in good faith by appropriate proceedings, if interests of the Corporation and the Trustee 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 charge or claim, will forthwith pay or cause to be paid any such charge or claim unless contested in good faith as aforesaid. The Board agrees not to lease-purchase any Equipment hereunder except to the extent consented to by the Department or otherwise permitted by applicable law.

(b) The Board shall never, under any circumstances, have the power to subject the interest of the Corporation or its assignee in the Project to any mechanic's or materialman's lien or liens of any kind.

(c) The Board covenants and agrees with the Corporation that the Board will not permit or suffer to be filed or claimed against the interests of the Corporation and its assignee in the Project during the Lease Term any lien or claim of any kind and, if such lien be claimed or filed, it shall be the duty of the Board, within thirty (30) days after the Board shall have been given written notice of such claim being filed in the Public Records of Hillsborough County, Florida to cause the Project to be released from such claim, either by payment or by posting of a bond or by the payment into a court of competent jurisdiction the amount

31

equipment by filing with the Trustee, as assignee of the Corporation, a certificate of an Authorized Officer of the Board stating that such substitute equipment (a) has the same or a greater remaining useful life than the Equipment to be substituted (determined at the time of substitution), (b) has a fair market value equal to or greater than the fair market value of the item of Equipment for which it is substituted (determined at the time of substitution), (c) is free and clear of all liens and encumbrances, except the Permitted Encumbrances, (d) has been titled in the name of the Corporation, except in the case of Designated Equipment which shall be titled in the name of the Board, (e) constitutes "Equipment" under this Lease Agreement, and (f) is essential to the operation of the school system. The Board may substitute Equipment which does not meet any of the foregoing provisions if it receives the written consent of Credit Enhancer for the Certificates, the proceeds of which were used to finance the acquisition of such Equipment, to do so.

SECTION 5.15. PROSECUTION AND DEFENSE OF SUITS. (a) The Board shall promptly, upon request of the Corporation, or its assignee, from time to time take or cause to be taken such action as may be necessary or proper to remedy or cure any defect in or cloud upon the title to any Project, or any portion thereof, and shall prosecute all such suits, actions and other proceedings as may be appropriate for such purpose and shall, to the extent permitted and limited by applicable law and only from Available Revenues, indemnify or cause to be indemnified the Corporation, and its assigns, for all loss, cost, damage and expense, including reasonable attorneys' fees, which they or any of them may incur by reason of any such defect, cloud, suit, action or proceedings.

(b) The Board shall defend, or cause to be defended against every suit, action or proceeding at any time brought against the Corporation, or its assignee, or its or their directors, officers and employees upon any claim arising out of the receipt, application or disbursement of any moneys held by the Trustee or arising out of the construction of any Project involving the rights of the Corporation, or its assignee, or its or their directors, officers and employees under this Lease Agreement or any act or omission of the directors, officers and employees done or omitted to be done within the scope of their respective office or employment, other than an act or omission which is the result of misconduct or negligence by such parties; provided, that the Corporation, and its assignee, at their election, may appear in and defend any such suit, action or proceeding. To the extent permitted and limited by applicable law and only from Available Revenues, the Board shall indemnify or cause to be indemnified the Corporation, and its assignee, against any and all claims, demands, costs or liability claimed or asserted by any person, arising out of such receipt, application or disbursement.

32

33

SECTION 5.16. FURTHER ASSURANCES. Whenever and so often as requested so to do by the Corporation, or its assignee, the Board will promptly execute and deliver or cause to be delivered all such other and further instruments, documents or assurances, and promptly do or cause to be done all such other and further things, as may be necessary or reasonably required in order to further and more fully to vest in the Corporation, or its assignee, all rights, interest, powers, benefits, privilege and advantages conferred or intended to be conferred upon the Corporation by this Lease Agreement.

SECTION 5.17. REPORTING REQUIREMENTS. Upon request, the Board will furnish, or cause to be furnished, to the Corporation, or its assignee, and each Credit Enhancer detailed certified reports of audit covering the operations of the Board for said Fiscal Year showing the general funds, revenues and expenses for such period.

SECTION 5.18. CORPORATION NOT LIABLE. Neither the Corporation nor its members, officers, agents, employees, nor its assignee, shall be liable to the Board or to any other party whatsoever for any death, injury or damage that may result to any Person or property by or from any cause whatsoever in, on or about any Project. To the extent permitted and limited by applicable law and solely from Available Revenues, the Board shall indemnify or cause to be indemnified and hold the Corporation, its members, officers, agents, employees, and its assignee, harmless from, and defend or cause to be defended each of them against, any and all claims, liens and judgments for death of or injury to any Person or damage to property whatsoever occurring in, on or about any Project.

SECTION 5.19. INDEMNIFICATION DUE TO TRUSTEE AND CORPORATION. The Board shall pay, or cause to be paid, to the Trustee, as assignee of the Corporation, fees, compensation and expenses due under the Trust Agreement upon billing therefor by the Trustee, as assignee of the Corporation, provided the payment of such fees, compensation and expenses shall be agreed to in writing by the Board. In addition, to the extent permitted and limited by applicable law and solely from Available Revenues, the Board shall and hereby agrees to indemnify, or cause indemnification of, and hold, or cause to be held, the Corporation and the Trustee, as assignee of the Corporation, harmless from and against all claims, losses and damages, including reasonable legal fees and expenses, arising out of (a) the use, maintenance, condition or management of the Projects by the Board, (b) any breach or default on the part of the Board in the performance of any of its obligations under this Lease Agreement, (c) any act of negligence of the Board, or of any of its agents, contractors, servants, employees or licensees with respect to the Projects, (d) the authorization of payment of Project Costs by the Board, (e) the defense against actions or proceedings in which the validity of this Lease Agreement is or

34

imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the Corporation, or upon the Projects, except Permitted Encumbrances.

SECTION 5.24. DEBT NOT ASSUMED BY CORPORATION. The parties hereto expressly acknowledge and agree that the Corporation (and its assigns hereunder), by the entering into of this Lease Agreement and the other Financing Documents, does not assume or guarantee, or otherwise obligate itself for, or become liable for, the payment of, or contingently agree to purchase, any debt of any Person.

SECTION 5.25. CONSENT TO DISMISS. The Board acknowledges that the Corporation is a third party lease purchase financing source for the Projects and the Board hereby agrees to consent to, and to refrain from objection to, a motion made by the Corporation to be dismissed from any lawsuit brought by a third party arising out or in any way relating to this Lease Agreement with respect to any Project or the ownership, rental, possession, operation, condition, sale or return of any Project. This covenant by the Board to consent to and refrain from objection to such a motion to dismiss shall include the Corporation's assigns and their respective agents, employees, officers and directors. It is understood by and between the Corporation and the Board that this covenant is not intended to be and is not an indemnity.

SECTION 5.26. WAIVER OF LAWS. The Board shall not at any time insist upon or plead in any manner whatsoever, or claim or suffer or take the benefit or advantage of any stay or extension law now or at any time hereafter in force which may adversely affect the covenants and agreements contained in this Lease Agreement and the benefit and advantage of any such law or laws is hereby expressly waived by the Board to the extent that the Board may legally make such waiver.

SECTION 5.27. LIMITATION ON INDEMNIFICATION. The amount of indemnification provided by the Board to the Corporation in Sections 5.15, 5.18 and 5.19 shall not exceed the liability limits set forth in Section 768.28, Florida Statutes.

SECTION 5.28. VEHICLES. The Board and the Corporation agree not to lease-purchase any Vehicles or rolling stock under the terms of this Lease Agreement.

SECTION 5.29. WAIVER OF DAMAGES. Neither the Corporation or the Trustee, nor their respective agents and employees, shall be liable for, and the Board waives, for each of their benefit, all claims for, damages, including but not limited to consequential damages, to person, property or otherwise, sustained by the Board or any person claiming through the Board resulting from any accident or occurrence in or upon any part of the Projects including, but not limited to, claims for damage resulting from:

might be questioned and the payment or compromise of claims or demands asserted in any such actions or proceedings, or (f) the issuance of the Certificates. No indemnification will be made under this Section or elsewhere in this Lease Agreement for willful misconduct, gross negligence, negligence of breach of duty by the Trustee, its officers, agents, employees, successors or assigns.

SECTION 5.20. NO RECOURSE UNDER AGREEMENT. All covenants, stipulations, promises, agreements and obligations of the parties hereto contained in this Lease 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 payment of Lease Payments pursuant to Section 4.03 hereof or for any claim based thereon under this Lease Agreement against any member, officer, employee or agent of the parties hereto.

SECTION 5.21. RESTRICTION AGAINST PLEDGE. The Corporation shall not pledge Lease Payments or other amounts derived from the Projects or from rights of the Corporation under this Lease Agreement nor shall the Corporation encumber or place any lien upon the Projects, except as otherwise provided in this Lease Agreement, the Trust Agreement and the Assignment Agreement.

SECTION 5.22. ASSIGNMENT BY CORPORATION. Except pursuant to the Assignment Agreement and except as set forth herein, the Corporation shall not assign this Lease Agreement, its rights to receive Lease Payments or its duties and obligations hereunder.

SECTION 5.23. NO VIOLATION OF OTHER AGREEMENTS. (a) The Board hereby represents that neither the execution and delivery of this Lease Agreement and the Trust Agreement, nor the fulfillment of and compliance with the terms and conditions hereof and thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of terms or violation of any other agreement to which the Board is a party or by which the Board is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the Board, or upon the Projects, except Permitted Encumbrances.

(b) The Corporation hereby represents that neither the execution and delivery of this Lease Agreement, the Assignment Agreement and the Trust Agreement, nor the fulfillment of and compliance with the terms and conditions hereof and thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of terms or violation of any other agreement to which the Corporation is a party or by which the Corporation is bound, or constitutes a default under any of the foregoing, or results in the creation or

35

(a) any equipment or appurtenances becoming out of repair; (b) the Board's failure to keep any part of the Projects in repair; (c) injury done or caused by wind, water or other natural element; (d) any defect in or failure of plumbing, heating or air conditioning equipment, electric wiring or installation thereof, gas, water and steam pipes, stairs, porches, railings or walks; (e) broken glass; (f) the backing up of any sewer pipe or downspout; (g) the bursting, leaking or running of any tank, tub, washstand, water closet, waste pipe, drain or any other pipe or tank upon or about the Projects; (h) the escape of steam or hot water; (i) water, snow or ice upon the Projects; (j) the falling of any fixture, plaster or stucco; (k) damage to or loss by theft or otherwise of property of the Board or others; (l) acts or omissions of persons in the Projects, other tenants in the Projects, occupants of nearby properties, or any other persons; and (m) any act or omission of owners of adjacent or contiguous property, or of the Corporation and the Trustee, and their respective agents or employees. All property of the Board kept in the Projects shall be so kept at the Board's risk only and the Board shall save the Corporation and the Trustee, and their respective agents and employees harmless from claims arising out of damage to the same, including subrogation claims by the Board's insurance carrier.

SECTION 5.30. OFFSET STATEMENT. Within ten (10) days after written request by either the Corporation or the Board the other party shall deliver, executed in recordable form, a declaration to any Person designated by the requesting party (a) ratifying this Lease Agreement and all Lease Schedules; (b) stating the commencement and termination dates; and (c) certifying (i) that this Lease Agreement and all Lease Schedules are in full force and effect and have not been assigned, modified, supplemented or amended (except by such writings as shall be stated); (ii) that all conditions under this Lease Agreement and all Lease Schedules to be performed by the other parties have been satisfied (stating exceptions, if any), to the extent known; (iii) that no defenses or offsets against the enforcement of this Lease Agreement and all Lease Schedules by the requesting party exist (or stating those claimed); (iv) as to advance Lease Payments, if any, paid by the Board; and (v) the date to which Supplemental Rent has been paid, and such other information as the requesting party reasonably requires. Persons receiving such statements shall be entitled to rely upon them.

SECTION 5.31. NON-MERGER OF LEASEHOLD. There shall be no merger of this Lease Agreement or of the leasehold estate hereby created with the fee estate in the Premises and the Project or any part thereof by reason of the fact that the same Person may acquire or hold, directly or indirectly, this Lease Agreement or leasehold estate hereby created or any interest in this Lease Agreement or in such leasehold estate and the fee estate in the Premises and the Project or any interest in such fee estate.

37

SECTION 5.32. ENVIRONMENTAL MATTERS.

(a) **Definitions.** When used in this Section 5.32, the following terms shall have the following meanings in addition to the meanings specified elsewhere herein.

"Asbestos Containing Materials" shall mean material in friable form containing more than one percent (1%) of the asbestiform varieties of (a) chrysotile (serpentine); (b) crocidolite (riebeckite); (c) amosite (cummingtonite-grunerite); (d) anthophyllite; (e) tremolite; and (f) actinolite.

"Environmental Regulations" shall mean all Laws and Regulations, now or hereafter in effect, with respect to Hazardous Materials, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, as amended (42 U.S.C. Section 9601, et. seq.) (together with the regulations promulgated thereunder, "CERCLA"), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Section 6901, et. seq.) (together with the regulations promulgated thereunder, "RCRA"), the Emergency Planning and Community Right-to-Know Act, as amended (42 U.S.C. Section 11001, et. seq.) (together with the regulations promulgated thereunder, "EPCRA"), the Clean Water Act, as amended (33 U.S.C. Section 1321, et. seq.) (together with the regulations promulgated thereunder, "CWA"), the Clean Air Act, as amended (42 U.S.C. Section 7401, et. seq.) (together with the regulations promulgated thereunder, "CAA") and the Toxic Substances Control Act, as amended (15 U.S.C. Section 2601, et. seq.) (together with the regulations promulgated thereunder, "TSCA"), and any state or local similar laws and regulations and any so-called local, state or federal "superfund" or "superlien" law.

"Hazardous Materials" shall have the meaning given in Section 5.32(b).

"Laws and Regulations" shall have the meaning given in Section 5.32(b).

"Release" shall have the meaning given in Section 5.32(b).

(b) The Board has, after due inquiry, no knowledge and has not given or received any written notice indicating that a Project or the past or present use thereof or any practice, procedure or policy employed by it in the conduct of its business materially violates any applicable law, regulation, code, order, rule, judgment or consent agreement, including, without limitation, those relating to zoning, building, use and occupancy, fire safety, health, sanitation, air pollution, ecological matters, environmental protection, hazardous or toxic materials, substances or wastes, conservation, parking, architectural barriers to the handicapped, or restrictive covenants or other agreements affecting title to such Project (collectively, "Laws and Regulations").

38

to maintain such Project and then, only in compliance with all Environmental Regulations, and any state equivalent laws and regulations, nor shall it permit, as a result of any intentional or unintentional act or omission on its part or by any tenant, subtenant, licensee, guest, invitee, contractor, employee and agent, the storage, transportation, disposal or use of Hazardous Materials or the Release or threat of Release of Hazardous Materials on, from or beneath a Project excluding, however, those Hazardous Materials in those amounts ordinarily found in or used in the maintenance of such Project, the use, storage, treatment, transportation and disposal of which shall be in compliance with all Environmental Regulations. Upon the occurrence of any Release or threat of Release of Hazardous Materials, the Board shall promptly commence and perform, or cause to be commenced and performed promptly, all investigations, studies, sampling and testing, and all remedial, removal and other actions necessary to clean up and remove all Hazardous Materials so released, on, from or beneath a Project, in compliance with all Environmental Regulations. Notwithstanding anything to the contrary contained herein, underground storage tanks shall only be permitted subject to compliance with subsection (i) hereof and only to the extent necessary to maintain the improvements on a Project.

(g) The Board shall comply with, and shall cause its tenants, subtenants, licensees, guests, invitees, contractors, employees and agents to comply with, all Environmental Regulations, and shall keep each Project free and clear of any liens imposed pursuant thereto (provided, however, that any such liens, if not discharged, may be bonded). The Board shall cause each tenant under any lease, and use its best efforts to cause all of such tenant's subtenants, agents, licensees, employees, contractors, guests and invitees and the guests and invitees of all of the foregoing to comply with all Environmental Regulations with respect to the Project; provided, however, that notwithstanding that a portion of this covenant is limited to the Board's use of its best efforts, the Board shall remain solely responsible for ensuring such compliance and such limitation shall not diminish or affect in any way the Board's obligations contained in subsection (h) hereof as provided in said subsection (h). Upon receipt of any notice from any Person with regard to the Release of Hazardous Materials on, from or beneath a Project, the Board shall give prompt written notice thereof to the Trustee and the Credit Enhancer, if any, for such Project, (and, in any event, prior to the expiration of any period in which to respond to such notice under any Environmental Regulation).

(h) Irrespective of whether any representation or warranty contained in this Section 5.32 is not true or correct, the Board shall, to the extent permitted by law and solely from Available Revenues, defend, indemnify and hold harmless the Trustee, the Certificateholders and the Credit Enhancers and each of its and their employees, agents, officers, directors, trustees, successors and assigns, from and against any claims, demands, penalties,

40

Without limiting the generality of the foregoing, neither the Board nor to the best of its knowledge, after due inquiry, any prior or present owner, tenant or subtenant of any Project has, other than as set forth in subsections (b) and (c) of this Section 5.32 or as may have been remediated in accordance with Laws and Regulations, (i) used, treated, stored, transported or disposed of any material amount of flammable explosives, polychlorinated biphenyl compounds, heavy metals, chlorinated solvents, cyanide, radon, petroleum products, asbestos or any Asbestos Containing Materials, methane, radioactive materials, pollutants, hazardous materials, hazardous wastes, hazardous, toxic or regulated substances or related materials, as defined in CERCLA, RCRA, CWA, CAA, TSCA and Title III, and the regulations promulgated pursuant thereto, and in all other Environmental Regulations applicable to the Board, of any Project or the business operations conducted by the Board thereon (collectively, "Hazardous Materials") on, from or beneath a Project, (ii) pumped, spilled, leaked, disposed of, emptied, discharged or released (hereinafter collectively referred to as "Release") any material amount of Hazardous Materials on, from or beneath a Project, or (iii) stored any material amount of petroleum products at a Project in underground storage tanks, except as may be set forth as an exhibit to the Lease Schedule relating to such Project.

(c) Excluded from the representations and warranties in subsection (b) hereof with respect to Hazardous Materials are those Hazardous Materials in those amounts ordinarily found in or used in the maintenance of a Project, the use, treatment, storage, transportation and disposal of which has been and shall be in compliance with all Laws and Regulations.

(d) No Project located in an area of high potential incidence of radon has an unventilated basement or subsurface portion which is occupied or used for any purpose other than the Corporation or support of such Project.

(e) The Board has not received any notice from any insurance company which has issued a policy with respect to a Project or from the applicable state or local government agency responsible for insurance standards (or any other body exercising similar functions) requiring the performance of any repairs, alterations or other work, which repairs, alterations or other work have not been completed at such Project. The Board has not received any notice of default or breach which has not been cured under any covenant, condition, restriction, right-of-way, reciprocal easement agreement or other easement affecting a Project which is to be performed or complied with by it.

(f) The Board shall not use or permit a Project or any part thereof to be used to generate, manufacture, refine, treat, store, handle, transport or dispose of, transfer, produce or process Hazardous Materials, except, and only to the extent, if necessary

39

fees, attorneys' fees (including, without limitation, attorneys' fees incurred to enforce this indemnification), consultants' fees, investigation and laboratory fees, liabilities, settlements (five (5) Business Days' prior notice of which the Trustee and the Credit Enhancers, as appropriate, shall have delivered to the Board), court costs, damages, losses, costs or expenses of whatever kind or nature, known or unknown, contingent or otherwise, occurring in whole or in part, arising out of, or in any way related to, (1) the presence, disposal, Release, threat of Release, removal, discharge, storage or transportation of any Hazardous Materials on, from or beneath a Project, (2) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials, (3) any lawsuit brought or threatened, settlement reached (five (5) Business Days' prior notice of which the Trustee and the Credit Enhancers, as appropriate, shall have delivered to the Board), or governmental order relating to Hazardous Materials on, from or beneath any of the Property, (4) any violation of Environmental Regulations or subsection (f) or (g) hereof by it or any of its agents, tenants, employees, contractors, licensees, guests, subtenants or invitees, and (5) the imposition of any governmental lien for the recovery of environmental cleanup or removal costs. To the extent that the Board is strictly liable under any Environmental Regulation, its obligation to the Trustee and the Credit Enhancers and the other indemnitees under the foregoing indemnification shall likewise be without regard to fault on its part with respect to the violation of any Environmental Regulation which results in liability to any indemnitee. Its obligations and liabilities under this subsection (h) shall survive any action by the Trustee or the Certificateholders or Credit Enhancers pursuant to the terms hereof or of the Trust Agreement or the Ground Lease(s) relating to the sale, rental or other disposal of a Project or the defeasance and the satisfaction of all Certificates.

(i) The Board shall conform to and carry out a reasonable program of maintenance and inspection of all underground storage tanks, and shall maintain, repair and replace such tanks in accordance with Laws and Regulations, including but not limited to Environmental Regulations. Any underground tanks shall be on a Project in good condition and repair and comply with all Laws and Regulations, including Environmental Regulations, except as set forth in this Section 5.32 and the Board shall take all actions to correct any violations of Laws and Regulations relating to any such tanks as set forth in this Section 5.32.

41

ARTICLE VI

ASSIGNMENT; SUBLEASING; NET LEASE; AMENDMENT

SECTION 6.01. ASSIGNMENT AND SUBLEASING BY THE BOARD. (a) Except as provided herein, this Lease Agreement may not be assigned by the Board without the written consent of the Corporation, or its assignee and each Credit Enhancer.

(b) Notwithstanding any other provision of this Lease Agreement any Project, or portion thereof, may be subleased by the Board, subject to Permitted Encumbrances and the rights and interests of the Trustee and each Credit Enhancer, in whole or in part, without the consent of the Corporation, subject, however, to each of the following conditions:

(i) no such sublease shall in any way adversely affect or release the Board from any of its duties, obligations and covenants under this Lease Agreement including, without limitation, the obligation of the Board to make Lease Payments hereunder; and

(ii) no such sublease shall, in the opinion of Special Counsel, cause the Interest Component of the Basic Rent Payments received by the Owners of the Certificates (other than Taxable Certificates) to become includible within gross income of the Owners for purposes of federal income taxation.

(c) Nothing herein shall prohibit the Board from permitting temporary use of any Project, or portion thereof, by third parties.

(d) If an Event of Default occurs under this Lease Agreement, all proceeds of any sublease entered into by the Board pursuant to this Section shall be remitted to the Trustee and shall be credited against Basic Rent Payments to be made by the Board. Any sublease agreement must be made terminable by the Trustee in the event this Lease Agreement is terminated for any reason.

SECTION 6.02. TRANSFER OF TAX BENEFITS. Nothing herein shall be deemed to prevent the Board from entering into any agreement or making any disposition for the sole purpose of transferring to one or more corporations, partnerships or individuals federal or state income tax benefits which would be available for any Project, or portion thereof, if owned by a private person, subject, however, to each of the following conditions:

(a) no such sublease shall in any way adversely affect or release the Board from any of its duties, obligations and covenants under this Lease Agreement including, without limitation, the obligation of the Board to make Lease Payments hereunder; and

42

on any of the foregoing, during the term of this Lease Agreement; and the Board will pay all reasonable expenses incurred by the Corporation or the Trustee in connection with all filings or recordings of any documents relating to this Lease Agreement or the Corporation's or the Trustee's rights hereunder. The Corporation and the Trustee shall have the right, after reasonable written notice to the Board, to make any of the payments required of the Board under this Section with respect to the Projects, but shall not be obligated to pay the same, and may charge such payment with interest at the Overdue Rate from the date of payment, as Supplemental Rent to be paid by the Board on the next Basic Rent Payment Date.

SECTION 6.05. AMENDMENT. (a) This Lease Agreement may be amended in writing by the parties hereto or by their assignees on their behalf or in their name, without the consent of the Owners of the Certificates (but with the consent of each Credit Enhancer which is not in payment default under its municipal bond insurance policy or credit facility) thereof, for the purpose of (i) curing any ambiguity or of curing, correcting or supplementing any defective provision contained herein, or (ii) resolving any questions arising under this Lease Agreement which the Board may deem necessary or desirable and not inconsistent with the provisions of this Lease Agreement, (iii) providing for additional security, (iv) providing for Lease Schedules, including adding to or deleting the covenants, representations and agreements contained herein as the same shall effect a particular Project, and (v) any other amendment which in the judgment of the Board does not materially, adversely affect the interests of the Owners of the Certificates; provided, however, that no such amendment shall, in the opinion of Special Counsel, cause the Interest Component of Basic Rent Payments to become includible in gross income of the recipients thereof for purposes of federal income taxation; and provided, further, that the parties hereto or their assignees may rely in entering into any such amendment pursuant to this Section upon the opinion of Special Counsel stating that the requirements of this sentence have been met with respect to such amendment.

(b) In addition to the amendments authorized to be made pursuant to Section 6.05(a) hereof, this Lease Agreement may also be amended upon approval of a majority of aggregate principal amount of the Owners of Certificates then Outstanding or, if all Outstanding Certificates are secured by Credit Facilities and/or municipal bond insurance policies, upon the approval of the Credit Enhancers of all Certificates then Outstanding; provided that no such amendment shall impair the right of any Owners to receive his proportionate share of any Basic Rent Payment in accordance with his Certificate unless approved by the Owners of all Certificates then Outstanding.

44

(b) no such agreement or disposition shall, in the opinion of Special Counsel, cause the Interest Component of the Basic Rent Payments received by the Owners of the Certificates (other than Taxable Certificates) to become includible in gross income of such Owners for purposes of federal income taxation.

SECTION 6.03. TAX COVENANTS. (a) The Board and the Corporation hereby covenant that, notwithstanding any other provision of this Lease Agreement, neither of them will make any use nor permit or direct the Trustee to make any use of the proceeds of the Certificates which will cause any of the Certificates or the Lease Agreement to be "arbitrage bonds" within the meaning of Section 148 of the Code.

(b) The Board and the Corporation hereby agree that they will make no use nor permit any use to be made of the proceeds of the Certificates, Lease Payments or any Project, or portion thereof, which would cause any of the Certificates or the Lease Agreement to be "private activity bonds" within the meaning of Section 141(a) of the Code.

(c) Except for the exercise by the Board of its right to Non-Appropriate as set forth in Section 7.01 hereof, the Board and the Corporation hereby covenant that they will comply with all provisions of the Code necessary to maintain the exclusion of the Interest Component of the Basic Rent Payments from gross income for purposes of federal income taxation, including, in particular, the payment of any amount required to be rebated to the U.S. Treasury pursuant to the Code.

(d) Notwithstanding the foregoing provisions contained in this Section, the Board and the Corporation may agree to entering into a Lease Schedule pursuant to which the Interest Component on the Basic Rent Payments shall not be excluded from gross income for purposes of federal income taxation; provided, however, that fact must be clearly stated on the Certificates. Provisions herein relating to the requirement to maintaining the exclusion of such Interest Component from gross income for federal income taxation purposes shall not apply to such Basic Rent Payments.

SECTION 6.04. NET LEASE. The Board intends the Lease Payments hereunder to be net to the Corporation. The Board shall comply with all liabilities and pay from Available Revenues all required local, state and federal taxes, including without limitation, income, franchise, gross receipts, sales, use, documentary stamp, excise, and personal property taxes, Real Estate Taxes, assessments, licenses, registration fees, freight and transportation charges and any other charges imposed or liabilities incurred with respect to the ownership, possession or use of the Projects, payment of Lease Payments or any other payments by the Board hereunder, and any penalties, fines or interest imposed on the Board hereunder, and any penalties, fines or interest imposed

43

ARTICLE VII

EVENT OF NON-APPROPRIATION; EVENTS OF DEFAULT AND REMEDIES

SECTION 7.01. EVENT OF NON-APPROPRIATION. (a) As provided herein, this Lease Agreement shall initially terminate at the end of the Initial Lease Term relating to a Project, but shall automatically be renewed for all Renewal Lease Terms relating thereto; provided, that such automatic renewal shall not occur and this Lease Agreement shall terminate as of the end of the current Initial or Renewal Lease Term if the Board does not approve a tentative Budget and a final Budget in accordance with State law which appropriates sufficient funds from Available Revenues for such purpose to continue making Lease Payments in full for the next succeeding Renewal Lease Term for all Projects leased hereunder beyond the end of the Initial Lease Term or the last Renewal Lease Term for which Lease Payments had been budgeted and appropriated (an "Event of Non-Appropriation"); provided, further, that in the event the Board's tentative or final Budget for such ensuing Renewal Lease Term is not enacted prior to the expiration of the then current Initial Lease Term or Renewal Lease Term relating to a Project, the Lease Term relating thereto shall be deemed renewed pending the enactment of such tentative Budget and final Budget and the Board shall be liable for any Lease Payments coming due during such period but only if the tentative Budget and final Budget makes available to the Board moneys which may legally be used to make the Lease Payments coming due during such period. Upon the occurrence of an Event of Non-Appropriation, the Board will not be obligated to pay Lease Payments beyond the then current Fiscal Year but will not be relieved of any obligations arising or accruing prior to such Event of Non-Appropriation including, without limitation, any obligation to deposit rebatable arbitrage in the Rebate Fund which may accrue prior to such Event of Non-Appropriation. The Board must deliver notice of the Event of Non-Appropriation to the Corporation, each Credit Enhancer and the Trustee within at least three Business Days thereof.

(b) If an Event of Non-Appropriation shall occur, the Board shall peacefully return possession of each Project to the Corporation, or its assignee or designee, within thirty (30) Business Days after the date on which such Event of Non-Appropriation occurs. The obligation to return the Projects shall survive the termination of this Lease Agreement. Under no circumstances shall the failure of the Board to appropriate sufficient moneys to pay Lease Payments constitute a Default or Event of Default hereunder or require payment of a penalty, or in any way limit the right of the Board to purchase or utilize, buildings, facilities or equipment similar in function to the property leased hereunder.

45

SECTION 7.02. EVENTS OF DEFAULT. The following shall be "Events of Default" under this Lease Agreement and the terms "Events of Default" and "Default" shall mean, whenever they are used in this Lease Agreement any one or more of the following events:

(a) Failure by the Board to pay any Basic Rent Payment required to be paid hereunder on the Basic Rent Payment Date to which such Basic Rent Payment pertains, other than as a result of an Event of Non-Appropriation; or

(b) Failure by the Board to pay any Supplemental Rent required to be paid hereunder at the time specified herein and the continuation of said failure to the next occurring Basic Rent Payment Date, other than as a result of an Event of Non-Appropriation; or

(c) The Board fails to (i) return possession of all the Projects, other than Designated Equipment, to the Corporation, or its designee or assignee, subsequent to an Event of Non-Appropriation as required by Section 7.01 hereof, or (ii) transfer title to and possession of the Designated Equipment for which Basic Rent Payments have not been paid in full to the Corporation, or its designee or assignee, subsequent to termination of the Lease Agreement as required by Section 4.07(b) hereof; or

(d) Failure by the Board to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in Section 7.02(a) hereof, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied has been given to the Board and each Credit Enhancer by the Corporation, or its assignee, unless the Corporation, or its assignee, or each Credit Enhancer have agreed in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Corporation, or its assignee, or the Credit Enhancers will not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the Board within the applicable period and diligently pursued until the default is corrected; or

(e) Any representation of the Board hereunder or in a Lease Schedule shall prove to have been false in any materially adverse respect at the time same was made, subject to the right of the Board to cure such misrepresentation in the manner set forth in Section 7.02(d) hereof; or

(f) A court having jurisdiction in the premises shall enter a decree or order for relief in respect of the Board in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator,

(or similar official) of the Board or for any substantial part of its property, or ordering the winding up or liquidation of its affairs, and such decree or order shall remain unstayed and in effect for a period of sixty (60) days; or

(g) The Board shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or shall consent to the entry of an order for relief in an involuntary case under any such law, or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official) of the Board or for any substantial part of its property, or shall make any general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due or shall take any corporate action in furtherance of any of the foregoing.

SECTION 7.03. REMEDIES ON DEFAULT. Upon the happening of an Event of Default as described in Section 7.02 hereof, the Corporation, or its assignee, may exercise any and all remedies available pursuant to law or granted pursuant to this Lease Agreement, including, without limitation:

(i) Except in the case of an Event of Default under Section 7.02(c) hereof, without terminating this Lease Agreement, to re-enter and take possession of the Projects, or any portion thereof, other than Designated Equipment, and exclude the Board from using the same until the Default is cured; or

(ii) Except in the case of an Event of Default under Section 7.02(c) hereof, without terminating this Lease Agreement, to re-enter and take possession of the Projects, or any portion thereof, other than Designated Equipment, and sell, lease or sublease such Projects, or any portion thereof, in accordance with applicable law, for the account of the Board, holding the Board liable for the difference between (i) the purchase price, rent and other amounts paid by the purchaser, lessee or sublessee pursuant to such sale, lease or sublease, and (ii) the Lease Payments and other amounts currently payable by the Board under and pursuant to this Lease Agreement; provided, however, that prior to termination of this Lease Agreement, the Projects, or any portion thereof, may be sold, re-let or otherwise disposed of only to such Person or Persons as shall not adversely affect the exclusion of the Interest Component on the Basic Rent Payments from gross income for purposes of federal income taxation; or

(iii) Except in the case of an Event of Default under Section 7.02(c) hereof, to take whatever action at law or in equity that may appear necessary or desirable to collect the Lease Payments then due and thereafter to become due during

46

47

the term of this Lease Agreement, or enforce performance and observance of any obligation, agreement or covenant of the Board under this Lease Agreement; or

(iv) To terminate this Lease Agreement, if it has not been previously terminated pursuant to Section 7.01 hereof, and require the Board to surrender and transfer possession of all the Projects to the Corporation or its assignee, in which event the Board shall take all actions necessary to authorize, execute and deliver to the Corporation or its assignee all documents necessary to vest in the Corporation or its assignee all of the Board's interest in and to the Projects, and to discharge any lien created by or pursuant to this Lease Agreement in order that the Corporation or its assignee may sell or re-lease the Projects in accordance with applicable law; and shall upon request by the Corporation or its assignee, remove any Equipment from the Board's property to such location within the State of Florida as is specified by the Corporation or its assignee; or

(v) To terminate this Lease Agreement, if it has not been previously terminated pursuant to Section 7.01 hereof, and, without notice or demand, enter into and upon the property of the Board, or any part thereof, and repossess and retake the Projects and thereby restore the Corporation or its assignee, or its assignee, to its former possessory estate as owner and expel the Board and remove its effects forcefully, if necessary, without being taken or deemed to be guilty of any manner of trespass in order that the Corporation or its assignee may sell or re-lease the Projects in accordance with applicable law, and thereupon this Lease Agreement shall terminate and upon such termination the Board shall have no further possessory right whatsoever in the Projects; and the Board shall be responsible for the payment of damages in an amount equal to the Lease Payments which would have accrued hereunder, calculated on a daily basis, for any period during which the Board fails to surrender the Projects or for any other loss suffered by the Corporation or its assignee as a result of the Board's failure to surrender the Projects, all without prejudice to any remedy which might otherwise be available to the Corporation or its assignee for arrears of Lease Payments or for any breach of the Board's covenants herein contained.

SECTION 7.04. PROCEEDS OF SALE OR RE-LETTING. Moneys received by the Corporation, or its assignee, from the sale or re-letting of the Projects, or any portion thereof, as a result of an Event of Non-Appropriation or an Event of Default shall be the absolute property of the Corporation, or its assignee, and the Board shall have no right thereto. In the event that moneys received by the Corporation, or its assignee, from the sale or other disposition of a Project, including moneys or damages

received pursuant to Section 7.03(b) hereof, exceed the amount necessary to pay the principal of and interest due on the Certificates which financed the acquisition and construction thereof to the date of payment thereof, together with all other amounts owing in regard to such Project, including Trustee fees and expenses (including, without limitation, the reasonable fees and expenses of Trustee's counsel), amounts owing in regard to any Ground Lease relating to such Project and any outstanding fees, expenses and other amounts due the Credit Enhancers, the Corporation, or its assignee, shall pay such surplus to the Board. Neither notice of sale or notice to pay rent or to deliver up possession of the Projects given pursuant to law nor any proceeding in unlawful detainer taken by the Corporation, or its assignee, shall of itself operate to terminate this Lease Agreement, and no termination of this Lease Agreement on account of an Event of Default by the Board shall be or become effective by operation of law, or otherwise, unless and until the Corporation, or its assignee, shall have given written notice to the Board of the election on the part of the Corporation, or its assignee, to terminate this Lease Agreement as a result of such Event of Default.

SECTION 7.05. APPOINTMENT OF CORPORATION AS AGENT. The Board hereby irrevocably appoints the Corporation, and its assignee, as the agent and attorney-in-fact of the Board to enter upon and sell or re-let the Projects in accordance with the terms hereof upon the happening of an Event of Default or an Event of Non-Appropriation. To the greatest extent permitted by applicable law and only from Available Revenues, the Board hereby exempts and agrees to save harmless, the Corporation, and its assignee, from any costs, loss or damage whatsoever arising or occasioned by any such entry upon and the sale or letting of the Projects. The Board hereby waives any and all claims for damages caused, or which may be caused, by the Corporation, or its assignee, in taking possession of the Projects, for all claims for damages that may result from the destruction of or injury to the Projects, and all claims for damages to or loss of any property belonging to the Board that may be in or upon the Projects. The Board agrees that the terms of this Lease Agreement constitute full and sufficient notice of the right of the Corporation, or its assignee, to enter and sell or re-let the Projects in accordance with the terms hereof. Notwithstanding the foregoing, the Board shall not be responsible for any costs incurred by the Corporation, or its assignee, to make the Projects suitable for reletting.

SECTION 7.06. NON-WAIVER. Nothing in this Article VII or in any other provision of this Lease Agreement shall affect or impair the obligation of the Board to pay the Lease Payments, to the extent herein provided. No delay or omission of the Corporation, or its assignee, to exercise any right or power arising upon the happening of any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of

48

49

Default or any acquiescence therein, and every power and remedy given by this Article VII to the Corporation, and its assignee, may be exercised from time to time and as often as shall be deemed expedient by the Corporation, or its assignee.

SECTION 7.07. REMEDIES NOT EXCLUSIVE. No remedy herein or by law conferred upon or reserved to the Corporation, and its assignee, is intended to be exclusive of any other remedy, but each such remedy is cumulative and in addition to every other remedy, and every remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise may be exercised without exhausting and without regard to any other remedy conferred or by any law.

SECTION 7.08. STATUS QUO ANTE. In case any suit, action or proceeding to enforce any right or exercise any remedy shall be brought or taken and then discontinued or abandoned, then, and in every such case, the Corporation, and its assignee, and the Board shall be restored to its and their former position and rights and remedies as if no such suit, action or proceedings had been brought or taken.

50

If to the Board: School Board of Hillsborough County,
Florida
901 East Kennedy Blvd.
Tampa, Florida 33602
Attention: Superintendent and General
Director of Finance

If to the Trustee: NationsBank of Florida, N.A.
400 North Ashley Drive, 6th Floor
Tampa, Florida 33602
Attention: Corporate Trust Department

The parties hereto, by notice given hereunder, may, respectively, designate different addresses to which subsequent notices, certificates or other communications will be sent. A copy of all notices to one party to this Lease Agreement shall be transmitted to the other party to this Lease Agreement, and to the Trustee.

SECTION 8.05. BINDING EFFECT. This Lease Agreement shall inure to the benefit of and shall be binding upon the Corporation and the Board and their respective successors and assigns.

SECTION 8.06. SEVERABILITY. If any one or more of the covenants, stipulations, promises, agreements or obligations provided in this Lease Agreement on the part of the Corporation or the Board to be performed should be determined by a court of competent jurisdiction to be contrary to law, then such covenant, stipulation, promise, agreement 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 Lease Agreement.

SECTION 8.07. HEADINGS. Any headings preceding the text of the several Articles and Sections hereof, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience or reference and shall not constitute a part of this Lease Agreement, nor shall they affect its meaning, construction or effect.

SECTION 8.08. APPLICABLE LAW. This Lease Agreement shall be governed by and construed in accordance with the laws of the State.

SECTION 8.09. CORPORATION AND BOARD REPRESENTATIVES. Whenever under the provisions of this Lease Agreement the approval of the Corporation or the Board is required or the Corporation or the Board are required to take some action at the request of the other, such approval of such request may be given for the Corporation by an Authorized Officer of the Corporation and for the Board by an Authorized Officer of the Board, and any party hereto shall be authorized to rely upon any such approval or request.

52

ARTICLE VIII ADMINISTRATIVE PROVISIONS

SECTION 8.01. PRESERVATION AND INSPECTION OF DOCUMENTS. All documents received by the Corporation, or its assignee, or the Board under the provisions of this Lease Agreement shall be retained in their respective possessions and shall be subject at all reasonable times to the inspection of the other party hereto and its assigns, agents and representatives, any of whom may make copies thereof.

SECTION 8.02. PARTIES OF INTEREST. Nothing in this Lease Agreement, expressed or implied, is to or shall be construed to confer upon or to give to any person or party other than the Corporation, and its assignee, the Credit Enhancers, the Trustee and the Board any rights, remedies or claims under or by reason of this Lease Agreement or any covenants, condition or stipulation hereof; and all covenants, stipulations, promises and agreements in this Lease 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 Board, the Credit Enhancers and the Trustee.

SECTION 8.03. NO RECOURSE UNDER AGREEMENT. All covenants, stipulations, promises, agreements and obligations of the parties hereto contained in this Lease 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 payment of the Lease Payments or for any claim based thereon under this Lease Agreement against any member, officer, employee or agent of the parties hereto.

SECTION 8.04. NOTICES. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or deposited in the United States mail with postage fully prepaid

If to the Corporation: Hillsborough School Board Leasing
Corporation
c/o School Board of Hillsborough
County, Florida
901 East Kennedy Blvd.
Tampa, Florida 33602
Attention: Superintendent and General
Director of Finance

51

SECTION 8.10. FURTHER ASSURANCES. The Corporation and the Board agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of any Project hereby leased or for carrying out the expressed intention of this Lease Agreement.

SECTION 8.11. CERTIFICATE OF OFFICERS. Every certificate with respect to compliance with a condition or covenant provided for in this Lease Agreement may be based, insofar as it relates to legal matters, upon a certificate or opinion of or representations by counsel, unless the Person providing the certificate knows that the certificate or representations with respect to the matters upon which the certificate may be based are erroneous, or in the exercise of reasonable care should have known that the same were erroneous.

SECTION 8.12. BUSINESS DAYS. Any act or thing required to be done or exist on any date set forth herein which does not constitute a Business Day in any year shall be deemed to be done or to exist on such date if such act or thing is done or exists on the next date which constitutes a Business Day.

SECTION 8.13. EFFECT OF DISSOLUTION OF CORPORATION. In the event the Corporation for any reason shall be dissolved or its legal existence shall otherwise be terminated, all of the covenants, stipulations, obligations and agreements contained in this Lease Agreement by or on behalf of or for the benefit of the Corporation shall bind or inure to the benefit of the successor or successors of the Corporation from time to time and any officer, board, commission, authority, agency or instrumentality to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law, and the term "Corporation" as used in this Lease Agreement shall include such successor or successors.

SECTION 8.14. MEMORANDUM. Simultaneously with the execution of this Lease Agreement, the Corporation and the Board shall each execute, acknowledge and deliver a Memorandum of Lease Agreement with respect to this Lease Agreement for recording in the Public Records of Hillsborough County, Florida. Said Memorandum of Lease shall be substantially in the form of Exhibit D hereto and shall not in any circumstances be deemed to change or otherwise to affect any of the obligations or provisions of this Lease Agreement.

SECTION 8.15. RADON GAS. Section 404.056, Florida Statutes, requires that the following notification be given: "RADON GAS: Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in

53

buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit."

EXHIBIT B

SECTION 8.16. COUNTERPARTS. This Lease 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 and shall constitute but one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Lease Agreement to be executed in their respective names by their duly Authorized Officers as of the date first above written.

HILLSBOROUGH SCHOOL BOARD LEASING CORPORATION, as Lessor

(SEAL)

By: Joanne Makituck
President

Attest:

Walter L. Sickles
Secretary

SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA, as Lessee

(SEAL)

By: Joanne Makituck
Chairman

Attest:

Walter L. Sickles
Superintendent/Secretary

FORM OF REQUISITION
FOR PAYMENT OF PROJECT COSTS

Date: _____

Requisition Number: _____

Total Disbursement Requested: \$ _____

Certificates: [State Series of Certificates] (the "Certificates")

Lease Schedule No. _____ (the "Lease Schedule")

Account or Subaccount of Project Account: _____

To: _____, as Trustee (the "Trustee")

The School Board of Hillsborough County, Florida (the "Board"), consistent with the terms of the Trust Agreement, dated as of April 1, 1994 (the "Trust Agreement"), among the Board, the Trustee and the Hillsborough School Board Leasing Corporation (the "Corporation"), requests a disbursement from the above-described account or subaccount of the Project Account in the aggregate amount set forth above, for payment or reimbursement of Project Costs incurred for the acquisition, construction and installation of a portion of the Project described in the Lease Schedule.

Capitalized terms used in this Requisition shall have the same meaning ascribed to them in the Trust Agreement.

The Board does hereby direct and instruct the Trustee to pay such Project Costs to the Vendor, Contractor or Developer pursuant to the attached invoices, bills and statements (or if indicated below, to reimburse the Board for payment of the attached invoices, bills and statements or to transfer moneys to the Board in order for it to pay such invoices, bills and statements) from moneys in the above-described account or subaccount of the Project Account, as follows:

Amount	Payee	Description of Project Cost	Payment Instructions
--------	-------	-----------------------------	----------------------

54

B-1

To induce the Trustee to approve this Requisition and disburse such moneys from the above-described account or subaccount of the Project Account, the undersigned certifies as follows:

1. The portions of the Project described in the Lease Schedule which are described in this Requisition have been thoroughly inspected and accepted by the Board in accordance with the terms of the Lease Agreement. The Board has satisfied itself that such portion of such Project is suitable for its purposes.

2. Attached hereto is an invoice and bill of sale for each item of Equipment specified on Schedule I attached hereto which constitutes a portion of the Project described in the Lease Schedule to be reimbursed hereby. Each item which constitutes Designated Equipment shall be so identified in Schedule II attached hereto. Each bill of sale indicates that title to such purchased items of Equipment, other than Designated Equipment, shall be in the name of the Corporation and title to items of Designated Equipment shall be in the name of the Board. Also attached hereto is a fully-executed purchase contract and title insurance policy for each item of Land identified in Schedule IV attached hereto which constitutes a portion of such Project to be reimbursed hereby.

3. The Board has previously provided the Trustee with all documents required by Section 6.03(d)(i) of the Trust Agreement prior to submitting any Requisition relating to construction of a Building which is part of the Project described in the Lease Schedule. Attached hereto is a copy of a certificate of the as required by Section 6.03(d)(ii) of the Trust Agreement relating to the construction of a Building which is part of the Project described in the Lease Schedule and identified on Schedule III attached hereto.

4. Attached hereto is a certification required by Section 6.03(d)(iii) of the Trust Agreement for any Architects' or Engineer's progress payments which are the subject of this Requisition, which payments are hereby approved by the Board.

5. There are no liens against any such portion of the Project to be reimbursed hereby, other than Permitted Encumbrances.

6. To date, the Board has timely complied with all its obligations under the Lease Agreement.

7. All funds previously disbursed by the Trustee for Project Costs from the above-described account or subaccount of the Project Account have been applied in accordance with the Requisitions requesting same and the amounts requested herein are to be used to pay for Project Costs which have not been previously paid for with disbursements from the above-described account or subaccount of the

Project Account or included in previous Requisitions submitted by the Board to the Trustee.

8. The following constitutes an itemized list of the attachments to this certificate:

(insert itemized list)

9. The amount remaining in the above-described account or subaccount of the Project Account will, after payment of the amount set forth in this Requisition, be sufficient to pay all remaining applicable Project Costs relating to the Lease Schedule as currently estimated.

10. According to our records, the aggregate dollar amount disbursed for Project Costs relating to the Lease Schedule (including the amount requested in this Requisition) is \$_____.

11. Execution of this Requisition shall constitute an affirmation of the completeness and accuracy of the representations and warranties contained in Section 5.02 of the Lease Agreement as of the date of execution hereof.

SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA

By: _____
Title: _____

B-2

B-3

SCHEDULE I

SCHEDULE II

DESCRIPTION OF EQUIPMENT

DESCRIPTION OF DESIGNATED EQUIPMENT

B-4

B-5

SCHEDULE III

SCHEDULE IV

DESCRIPTION OF BUILDINGS

DESCRIPTION OF LAND

B-6

B-7

**FORM OF REQUISITION
FOR PAYMENT OF COSTS OF ISSUANCE**

Date: _____
 Requisition Number: _____
 Total Disbursement Requested: \$ _____
 Certificates: [State Series of Certificates] (the "Certificates")
 Lease Schedule No. _____
 Account or Subaccount of Costs of Issuance Account: _____
 To: _____, as Trustee (the "Trustee")

The School Board of Hillsborough County, Florida (the "Board"), consistent with the terms of the Trust Agreement, dated as of April 1, 1994 (the "Trust Agreement"), among the Board, the Trustee and the Hillsborough School Board Leasing Corporation (the "Corporation"), requests a disbursement from the above-described account or subaccount of the Costs of Issuance Account in the aggregate amount set forth above, for payment or reimbursement of Costs of Issuance relating to the Certificates.

Capitalized terms used in this Requisition shall have the same meaning ascribed to them in the Trust Agreement.

The Board does hereby direct and instruct the Trustee to pay the Costs of Issuance to the Person indicated below pursuant to the attached invoices (or if indicated below, to reimburse the Board for payment of the attached invoices or to transfer moneys to the Board in order for it to pay such invoices) from moneys in the above-described account or subaccount of the Costs of Issuance Account, as follows:

Amount	Payee	Description of Costs of Issuance	Payment Instructions

B-8

To induce the Trustee to approve this Requisition and disburse such moneys from the above-described account or subaccount of the Costs of Issuance Account, the undersigned certifies as follows:

1. The Costs of Issuance which are described in the attached invoices have been approved by the Board.

2. Attached hereto is an invoice for such Costs of Issuance.

3. To date, the Board has timely complied with all its obligations under the Lease Agreement.

4. All funds previously disbursed by the Trustee for Costs of Issuance relating to the Certificates from the above-described account or subaccount of the Costs of Issuance Account have been applied in accordance with the Requisitions requesting same and the amounts requested herein are to be used to pay for Costs of Issuance relating to the Certificates which have not been previously paid for with disbursements from such account or subaccount of the Costs of Issuance Account or included in previous Requisitions submitted by the Board to the Trustee.

5. The following constitutes an itemized list of the attachments to this certificate:

(insert itemized list)

6. The amount remaining in the above-described account or subaccount of the Costs of Issuance Account, will, after payment of the amount set forth in this Requisition, be sufficient to pay all remaining applicable Costs of Issuance as currently estimated.

7. According to our records, the aggregate dollar amount disbursed for Costs of Issuance relating to the Certificates (including the amount requested in this Requisition) is \$ ____.

8. Execution of this Requisition shall constitute an affirmation of the completeness and accuracy of the representations and warranties contained in Section 5.02 of the Lease Agreement as of the date of execution hereof.

SCHOOL BOARD OF HILLSBOROUGH
COUNTY, FLORIDA

By: _____
Title: _____

B-9

EXHIBIT C

FORM OF LEASE SCHEDULE

Schedule No. _____
 to the
 Master Lease-Purchase Agreement,
 dated as of April 1, 1994,
 between
 Hillsborough School Board Leasing Corporation
 (the "Corporation")
 and
 School Board of Hillsborough County, Florida (the "Board")

THIS LEASE SCHEDULE NO. _____ (the "Lease Schedule") is hereby entered into under and pursuant to that certain Master Lease-Purchase Agreement, dated as of April 1, 1994 (the "Lease Agreement"), pursuant to which the Corporation has agreed to lease-purchase to the Board and the Board has agreed to lease-purchase from the Corporation, subject to the terms and conditions of the Lease Agreement, the Series _____ Project as herein described. All defined terms not otherwise defined herein shall have the respective meanings therefor set forth in the Lease Agreement. Reference to "Lease Agreement" herein shall include the terms of this Lease Schedule.

1. **Series _____ Project.** The leased property, which is described in Section 6 of this Lease Schedule (the "Series _____ 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 Lease Agreement.

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

(a) The Commencement Date for the Series _____ Project is _____.

(b) The Initial Lease Termination Date of the lease of the Series _____ Project shall be _____. The Maximum Lease Term shall commence on the Commencement Date hereof and terminate on _____.

(c) The Estimated Completion Date is _____.

3. **Certificates of Participation.**

(a) The Certificates of Participation issued under the Trust Agreement and related to this Lease Schedule are

C-1

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

(b) The Credit Enhancer for the Series _____ Certificates shall be _____.

(c) The Reserve Requirement for the Series _____ Subaccount established in the Reserve Account under the Trust Agreement shall be _____.

(d) The Optional Prepayment Date shall be _____.

(e) The Closure Date of the Series _____ Subaccount of the Project Account established for the Series _____ Certificates, for purposes of Section 6.03(g) of the Trust Agreement, shall be _____.

(f) The Prepayment Amount relating to the Series _____ Subaccount of the Project Account established for the Series _____ Certificates, for purposes of Section 6.03(g) of the Trust Agreement, shall be _____.

4. **Basic Rent.** The Basic Rent payable by the Board to the Corporation with respect to the Series _____ Project under the Lease Agreement is described in Schedule A attached hereto.

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

Deposit to Series _____
 Subaccount of Project
 Account established for
 Series _____ Certificates

Deposit to Series _____
 Subaccount of Costs of
 Issuance Account established
 for Series _____ Certificates

Deposit to Series _____
 Subaccount of Capitalized
 Interest Account established
 for Series _____ Certificates

Deposit to Series _____ Subaccount
 of the Interest Account established
 for Series _____ Certificates

C-2

Deposit to Series _____
Subaccount of Reserve
Account established for
Series _____
Certificates

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

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

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

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

10. Assignment of Lease Agreement. The Corporation hereby acknowledges that all Lease Payments and its rights, title and interest in this Lease Schedule and, with certain exceptions, the Lease Agreement have been simultaneously assigned to the Trustee pursuant to the Assignment of Lease Agreement.

11. Other Permitted Encumbrances.

12. Special Terms and Conditions for Lease Schedule.

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

HILLSBOROUGH SCHOOL BOARD
LEASING CORPORATION

By: _____

Title: _____

Date: _____

Attest: _____

SCHOOL BOARD OF HILLSBOROUGH
COUNTY, FLORIDA

By: _____

Title: _____

Date: _____

Attest: _____

C-3

C-4

SCHEDULE A

BASIC RENT SCHEDULE

Remaining Basic Rent Payment Date	Interest Component	Principal Component	Total Basic Rent Payment	Principal Component
---	-----------------------	------------------------	-----------------------------	------------------------

[Provide Basic Rent Schedule for each
Group within Project]

C-5

SCHEDULE B

PROJECT DESCRIPTION, PROJECT BUDGET,
PROJECT SCHEDULE AND DESIGNATED EQUIPMENT

C-6

SCHEDULE C

SCHEDULE D

DESCRIPTION OF THE LAND

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

C-7

C-8

EXHIBIT D

MEMORANDUM OF LEASE AND NOTICE OF OPTION

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FIRST AMENDMENT TO MASTER LEASE-PURCHASE AGREEMENT

by and between

**HILLSBOROUGH SCHOOL BOARD LEASING CORPORATION,
as Lessor**

and

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

Dated as of February 19, 2003

TABLE OF CONTENTS

	Page
SECTION 1. AUTHORIZATION.	2
SECTION 2. DEFINITIONS.	2
SECTION 3. AMENDMENTS TO EXHIBIT A (DEFINITIONS) TO THE LEASE AGREEMENT.	2
SECTION 4. AMENDMENTS TO SECTION 4.03 OF THE LEASE AGREEMENT.	3
SECTION 5. PROVISIONS OF LEASE AGREEMENT NOT OTHERWISE MODIFIED.	4
SECTION 6. THIRD PARTY BENEFICIARIES.	4
SECTION 7. COUNTERPARTS.	4
SECTION 8. HEADINGS.	4
SECTION 9. LAWS.	4

FIRST AMENDMENT TO MASTER LEASE-PURCHASE AGREEMENT

THIS FIRST AMENDMENT TO MASTER LEASE-PURCHASE AGREEMENT, dated as of February 19, 2003 (the "First Amendment to Master Lease-Purchase Agreement"), amending the Master Lease-Purchase Agreement, dated as of April 1, 1994, as heretofore amended and supplemented (the "Lease Agreement"), by and between the **HILLSBOROUGH SCHOOL BOARD LEASING CORPORATION**, a not-for-profit educational corporation duly organized and existing under the laws of the State of Florida (the "Corporation"), and the **SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA**, acting as the governing body of the Hillsborough County School District (the "Board").

WITNESSETH:

WHEREAS, the Board has heretofore deemed it in its best interests to lease-purchase certain real and/or personal property from time to time and has heretofore entered into a Master Lease-Purchase Agreement, dated as of April 1, 1994, as amended and supplemented (the "Lease Agreement"), between the Corporation, as lessor, and the Board, as lessee; and

WHEREAS, the Board desires to provide for the delivery from time to time of Hedge Agreements (defined herein); and

WHEREAS, in order to provide for the delivery of Hedge Agreements related to Outstanding Certificates it is necessary to amend certain provisions of the Lease Agreement;

NOW, THEREFORE, in consideration of the mutual agreements and covenants in the Trust Agreement (defined in the Lease Agreement) and Lease Agreement contained and for other valuable consideration, the parties hereto agree as follows:

SECTION 1. AUTHORIZATION. This First Amendment to Master Lease-Purchase Agreement is being entered into in accordance with (i) the provisions of the Act, (ii) a resolution of the Board adopted on February 18, 2003 and (iii) Section 6.05(b) of the Lease Agreement.

SECTION 2. DEFINITIONS. The words and terms which are defined in the Lease Agreement (as amended hereby), shall have the same meanings ascribed to them when used herein, unless the context or use indicates a different meaning or intent.

SECTION 3. AMENDMENTS TO EXHIBIT A (DEFINITIONS) TO THE LEASE AGREEMENT. (a) Exhibit A to the Lease Agreement is hereby amended by adding the following definitions of "Counterparty," "Hedge Agreement," "Hedge Obligations," "Hedge Receipts" and "Termination Fees":

"Counterparty" shall mean the Person entering into a Hedge Agreement with the Board.

"Hedge Agreement" shall mean an interest rate exchange agreement, an interest rate swap agreement, a forward purchase contract, a put option contract, a call option contract or any other financial product which is used by the Board as a hedging device with respect to its obligation to pay the interest portion of Basic Lease Payments represented by any of the Outstanding Certificates, entered into between the Board and a Counterparty and designated by the Board as a "Hedge Agreement" for the purposes of the Trust Agreement and Lease Agreement.

"Hedge Obligations" shall mean the periodic amounts required to be paid by the Board on the related notional amount under a Hedge Agreement determined in accordance with a formula set forth in the Hedge Agreement (similar to payment of interest on the related notional amount), but excluding Termination Fees which are not payable by a Credit Enhancer pursuant to the terms of any bond insurance policy or Credit Facility securing the obligation of the Board to make certain payments under a Hedge Agreement.

"Hedge Receipts" shall mean amounts received by the Board on the related notional amount from a Counterparty under a Hedge Agreement which may be net of any Hedge Obligations.

"Termination Fees" means any payments due by the Board under a Hedge Agreement, other than Hedge Obligations.

(b) Exhibit A to the Lease Agreement is hereby amended by amending and restating the definition of "Basic Rent" or "Basic Rent Payment" in its entirety with the following:

"Basic Rent" or "Basic Rent Payment" means (i) the Basic Rent Payments set forth in the Lease Schedules, as the same may be adjusted pursuant to the terms of the Lease Agreement and (ii) Hedge Obligations.

SECTION 4. AMENDMENTS TO SECTION 4.03 OF THE LEASE AGREEMENT. Subsections (b) and (c) of Section 4.03 of the Lease Agreement are hereby amended in their entirety to read as follows:

(b) The Board agrees to pay as lease rental hereunder for each Project, the Basic Rent on or prior to the Basic Rent Payment Dates as set forth in the Lease Schedule and/or Hedge Agreement relating thereto, as the same may be modified or amended from time to time following any prepayment of Basic Rent for the lease of such Project. Basic Rent Payments consist of a Principal Component and an Interest Component which shall be stated in each Lease Schedule, provided that Hedge Obligations shall always constitute an Interest Component. The portion of the Basic Rent attributable to the Interest Component shall not exceed the maximum rate permitted by Section 215.84, Florida Statutes. Each Project may be divided into Groups of leased property as described in the Lease Schedule relating thereto. The Principal Component and Interest Component attributed to each Group of leased property shall be provided in the Lease Schedule relating thereto. The Board hereby agrees that it shall make all Basic Rent Payments coming due on each Basic Rent Payment Date on or prior to each such Basic Rent Payment Date in accordance with the applicable Lease Schedule and/or Hedge Agreement, subject to the provisions of Sections 4.06 and 7.01 hereof. **THE BOARD SHALL NOT BUDGET AND APPROPRIATE AVAILABLE REVENUES FOR A PORTION OF THE PROJECTS LEASED PURSUANT TO THIS LEASE AGREEMENT; IT MUST BUDGET AND APPROPRIATE LEASE PAYMENTS FOR ALL OF THE PROJECTS DESCRIBED ON ALL LEASE SCHEDULES ENTERED INTO PURSUANT TO THIS LEASE AGREEMENT OR NONE OF THEM.** All Basic Rent Payments shall be paid in arrears. The Board shall pay the Basic Rent due hereunder to the Trustee at its Principal Office and the Trustee shall apply same as provided in the Trust Agreement. The Board shall specify which subaccount of the Interest Account and Principal Account the Basic Rent Payments shall be deposited in, provided that all Hedge Receipts shall be deposited in a subaccount of the Interest Account. To the extent that moneys have been deposited and are available with the Trustee from the proceeds of a Series of Certificates for the purpose of paying Basic Rent relating to a Project pursuant to Section 6.01 of the Trust Agreement, the amount to be appropriated shall not be reduced but the Board shall not be required to transfer funds to the Trustee for payments of such Basic Rent, and the Board shall receive a credit against its obligation to pay such Basic Rent for such amounts on deposit with the Trustee."

"(c) In addition to the Basic Rent, the Board hereby agrees to pay and discharge from time to time as provided herein, as Supplemental Rent, all other amounts, liabilities and obligations which the Board assumes or agrees to pay to the Corporation, the Trustee, any Credit Enhancers, Termination Fees due any Counterparties, and any amounts due to the issuer of any Reserve Account Insurance Policy or Reserve Account Letter of Credit pursuant to the terms and provisions of any agreements between the Board and such parties, or to others with respect to this Lease Agreement, the Trust Agreement, any Hedge Agreement or the Projects. Supplemental Rent shall include, but not be limited to, any redemption premium attributable to the Certificates, the fees and expenses (including reasonable counsel fees and expenses) incurred by the Trustee pursuant to the Trust Agreement or hereunder, all fees and expenses of the Corporation relating to the lease of the Projects or to its corporate existence, all ongoing expenses relating to the financing of the Projects. The Supplemental Rent shall be paid to Trustee for application in accordance with the terms hereof and of the Trust Agreement or, in the case of a Termination Fee, directly to the Counterparty."

SECTION 5. PROVISIONS OF LEASE AGREEMENT NOT OTHERWISE MODIFIED. Except as expressly modified or amended hereby, the Lease Agreement shall remain in full force and effect. To the extent of any conflict between the terms of the Lease Agreement and this First Amendment to Master Lease-Purchase Agreement, the terms hereof shall control.

SECTION 6. THIRD PARTY BENEFICIARIES. Nothing in this First Amendment to Master Lease-Purchase Agreement, express or implied, is to or shall be construed to confer upon or to give to any person or party other than the Corporation, and its assignee, the Trustee, the Credit Enhancers, Counterparties and the Board any rights, remedies or claims under or by reason of this First Amendment to Master Lease-Purchase Agreement or any covenants, condition or stipulation hereof; and all covenants, stipulations, promises and agreements in this First Amendment to Master Lease-Purchase 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 Credit Enhancers, Counterparties and the Board.

SECTION 7. COUNTERPARTS. This First Amendment to Master Lease-Purchase 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 8. HEADINGS. Any heading preceding the text of the several Articles hereof, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this First Amendment to Master Lease-Purchase Agreement, nor shall they affect its meaning, construction or effect.

SECTION 9. LAWS. This First Amendment to Master Lease-Purchase Agreement shall be construed and governed in accordance with the laws of the State.

4

IN WITNESS WHEREOF, the parties have executed this First Amendment to Master Lease-Purchase Agreement by their officers thereunto duly authorized as of the date and year first written above.

HILLSBOROUGH SCHOOL BOARD LEASING CORPORATION, as Lessor

(SEAL)

By: Carol W. Kusdeep
President

ATTEST:

Earl J. Leonard
Secretary

SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA, as Lessee

(SEAL)

By: Carol W. Kusdeep
Chairman

ATTEST:

Earl J. Leonard
Superintendent/Secretary

CONSENT:

MBIA INSURANCE CORPORATION

By: _____
Title:

5

IN WITNESS WHEREOF, the parties have executed this First Amendment to Master Lease-Purchase Agreement by their officers thereunto duly authorized as of the date and year first written above.

HILLSBOROUGH SCHOOL BOARD LEASING CORPORATION, as Lessor

(SEAL)

By: _____
President

ATTEST:

Secretary

SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA, as Lessee

(SEAL)

By: _____
Chairman

ATTEST:

Superintendent/Secretary

CONSENT:

MBIA INSURANCE CORPORATION

By: Amy R. Pouch
Title: Assistant Secretary

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SECOND AMENDMENT TO MASTER LEASE-PURCHASE AGREEMENT

by and between

**HILLSBOROUGH SCHOOL BOARD LEASING CORPORATION,
as Lessor**

and

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

Dated as of January 1, 2007

TABLE OF CONTENTS

	Page
SECTION 1. AUTHORIZATION	1
SECTION 2. DEFINITIONS	1
SECTION 3. AMENDMENT OF SECTION 5.05 OF THE LEASE AGREEMENT	1
SECTION 4. PROVISIONS OF LEASE AGREEMENT NOT OTHERWISE MODIFIED	3
SECTION 5. THIRD PARTY BENEFICIARIES	3
SECTION 6. COUNTERPARTS	3
SECTION 7. HEADINGS	3
SECTION 8. LAWS	3

SECOND AMENDMENT TO MASTER LEASE-PURCHASE AGREEMENT

THIS SECOND AMENDMENT TO MASTER LEASE-PURCHASE AGREEMENT, dated as of January 1, 2007 (the "Second Amendment to Master Lease-Purchase Agreement"), amending the Master Lease-Purchase Agreement, dated as of April 1, 1994, as heretofore amended and supplemented (the "Lease Agreement"), by and between the **HILLSBOROUGH SCHOOL BOARD LEASING CORPORATION**, a not-for-profit educational corporation duly organized and existing under the laws of the State of Florida (the "Corporation"), and the **SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA**, acting as the governing body of the Hillsborough County School District (the "Board").

WITNESSETH:

WHEREAS, the Board has heretofore deemed it in its best interests to lease-purchase certain real and/or personal property from time to time and has heretofore entered into a Master Lease-Purchase Agreement, dated as of April 1, 1994, as amended and supplemented (the "Lease Agreement"), between the Corporation, as lessor, and the Board, as lessee; and

WHEREAS, as a result of the Board's inability to obtain windstorm damage insurance coverage in the amounts specified in Section 5.05 of the Lease Agreement, the Board desires to amend said Section 5.05 to reflect the charges in the insurance market since April 1, 1994;

NOW, THEREFORE, in consideration of the mutual agreements and covenants in the Trust Agreement (defined in the Lease Agreement) and Lease Agreement contained and for other valuable consideration, the parties hereto agree as follows:

SECTION 1. AUTHORIZATION. This Second Amendment to Master Lease-Purchase Agreement is being entered into in accordance with (i) the provisions of the Act, and (ii) Section 6.05(b) of the Lease Agreement.

SECTION 2. DEFINITIONS. The words and terms which are defined in the Lease Agreement (as amended hereby), shall have the same meanings ascribed to them when used herein, unless the context or use indicates a different meaning or intent.

SECTION 3. AMENDMENT OF SECTION 5.05 OF THE LEASE AGREEMENT. Section 5.05 of the Lease Agreement is hereby amended and restated in its entirety to read as follows:

"SECTION 5.05 FIRE AND EXTENDED COVERAGE INSURANCE AND FLOOD INSURANCE. (a) 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 Projects by fire or lightning, 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 shall be in an amount equal to the lesser of (i) one hundred percent (100%) of the replacement cost of the Projects, (ii) the Principal Component of the Basic Rent Payments then remaining unpaid, (iii) \$75,000,000 per occurrence or (iv) such lesser amount as is available to the Board at commercially reasonable costs, as set forth in a Certificate of an Insurance Consultant filed with the Board, the Trustee and each Credit Enhancer. Such insurance may be subject to deductible clauses not to exceed \$250,000 in the aggregate for any one loss or, in the case of windstorm damage, two percent (2%) of the replacement cost. 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 hereof. The Net Proceeds of such insurance shall be applied as provided in Section 5.06 hereof. **The provisions of this Section 5.05, as amended, supersede in all respects the provisions contained in outstanding Lease Schedules (particularly, Section 10 thereof) related to property and casualty insurance in conflict hereto and dated prior to January 1, 2007.**

(b) Flood insurance shall be separately maintained by the Board for any property included in a Project which is located in a federally designated flood plain, in such amounts per occurrences 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 and the Credit Enhancer(s), if any, for the Project(s) to which such flood insurance relates. If such Credit Enhancer(s) identify insurance for such coverage at commercially reasonable rates, the Board shall be obligated to obtain such insurance. In the event that such Credit Enhancer(s) 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 hereof.

(c) The insurance required to be maintained by the Board pursuant to this Section 5.05 shall be provided by carriers rated at least "A" by Standard & Poor's Corporation (a "Qualified Insurer" unless the Credit Enhancer(s), if any, for the Project(s) to which such insurance relates shall approve an insurer with a lower

rating. If an insurer's rating falls below "A" (or, with respect to an insurer approved as aforesaid with a rating lower than "A," falls below the rating such insurer had when approved), such insurer shall be replaced with a Qualified Insurer unless the Credit Enhancer(s), if any, for the Project(s) to which such insurance relates shall approve an insurer with a lower rating.

SECTION 4. PROVISIONS OF LEASE AGREEMENT NOT OTHERWISE MODIFIED. Except as expressly modified or amended hereby, the Lease Agreement shall remain in full force and effect. To the extent of any conflict between the terms of the Lease Agreement and this Second Amendment to Master Lease-Purchase Agreement, the terms hereof shall control.

SECTION 5. THIRD PARTY BENEFICIARIES. Nothing in this Second Amendment to Master Lease-Purchase Agreement, express or implied, is to or shall be construed to confer upon or to give to any person or party other than the Corporation, and its assignee, the Trustee, the Credit Enhancers, Counterparties and the Board any rights, remedies or claims under or by reason of this Second Amendment to Master Lease-Purchase Agreement or any covenants, condition or stipulation hereof; and all covenants, stipulations, promises and agreements in this Second Amendment to Master Lease-Purchase 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 Credit Enhancers, Counterparties and the Board.

SECTION 6. COUNTERPARTS. This Second Amendment to Master Lease-Purchase 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.

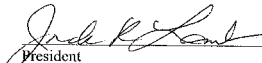
SECTION 7. HEADINGS. Any heading preceding the text of the several Articles hereof, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Second Amendment to Master Lease-Purchase Agreement, nor shall they affect its meaning, construction or effect.

SECTION 8. LAWS. This Second Amendment to Master Lease-Purchase Agreement shall be construed and governed in accordance with the laws of the State.

IN WITNESS WHEREOF, the parties have executed this Second Amendment to Master Lease-Purchase Agreement by their officers thereunto duly authorized as of the date and year first written above.

**HILLSBOROUGH SCHOOL BOARD
LEASING CORPORATION, as Lessor**

(SEAL)


By: 
President

ATTEST:


Secretary

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

(SEAL)

By: 
Chairman

ATTEST:


Superintendent/Secretary

CONSENT:

MBIA INSURANCE CORPORATION

By: _____
Title: _____

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IN WITNESS WHEREOF, the parties have executed this Second Amendment to Master Lease-Purchase Agreement by their officers thereunto duly authorized as of the date and year first written above.

**HILLSBOROUGH SCHOOL BOARD
LEASING CORPORATION, as Lessor**

(SEAL)

By: _____
President

ATTEST:

Secretary

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

(SEAL)

By: _____
Chairman

ATTEST:

Superintendent/Secretary

CONSENT:

MBIA INSURANCE CORPORATION

By: 
Title: Assistant Secretary

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**SECOND AMENDED AND RESTATED
LEASE SCHEDULE NO. 1999**

**Schedule No. 1999
to the
Master Lease-Purchase Agreement,
dated as of April 1, 1994,
between
Hillsborough School Board Leasing Corporation (the "Corporation")
and
The School Board of Hillsborough County, Florida (the "Board")**

THIS SECOND AMENDED AND RESTATED LEASE SCHEDULE NO. 1999 (the "Second Amended and Restated Lease Schedule") hereby amends and restates in its entirety Amended and Restated Lease Schedule No. 1999, dated as of January 31, 2001, between the Corporation and the Board (as heretofore amended and restated, the "Prior Lease Schedule") under and pursuant to that certain Master Lease-Purchase Agreement, dated as of April 1, 1994 (as heretofore amended and supplemented, the "Master Lease Agreement") (the Master Lease Agreement, together with this Second Amended and Restated Lease Schedule No. 1999 are herein collectively referred to as the "Lease Agreement"), pursuant to which the Corporation has agreed to lease-purchase to the Board and the Board has agreed to lease-purchase from the Corporation, subject to the terms and conditions of the Lease Agreement, the Series 1999 Project, as herein and therein described. All capitalized terms not otherwise defined herein shall have the respective meaning therefor set forth in the (i) Lease Agreement or (ii) Master Trust Agreement, dated as of April 1, 1994, among the Corporation, the Board and the Trustee, as amended and supplemented, and particularly as amended and supplemented by the Series 2010A Supplemental Trust Agreement (the "Series 2010A Supplemental Trust Agreement"), dated as of April 1, 2010, among the Corporation, the Board and the Trustee (collectively, the "Trust Agreement"). Reference to "Lease Agreement" herein shall include the terms of this Second Amended and Restated Lease Schedule.

1. Findings. The Board and the Corporation hereby find and determine that:

(a) The Board has heretofore executed and delivered the Master Lease Agreement pursuant to which it has established a master lease-purchase program.

(b) The Board has heretofore leased the Series 1999 Project from the Corporation in accordance with the terms of the Master Lease Agreement and the Prior Lease Schedule.

(c) The Board has heretofore caused the Series 2001A Certificates (as defined in the Trust Agreement) to be executed, authenticated and delivered by the

Trustee in connection with the financing and refinancing of the costs of acquisition and construction and the Board's lease-purchasing of the Series 1999 Project.

(d) The Board and the Corporation deem it in their best interests to restructure the Basic Rent Payments due under the Prior Lease Schedule by issuing Refunding Certificates for the purpose of refunding, on a current basis, that portion of the outstanding Series 2001A Certificates maturing on July 1 in the years 2011 through 2021, inclusive, and 2025 (the "Refunded Certificates"). The Series 2001A Certificates maturing on July 1, 2010 do not constitute Refunding Certificates and are referred to herein as the "Outstanding Series 2001A Certificates."

(e) In order to accomplish such refunding, the Board and the Corporation hereby agree to cause the issuance of the Series 2010A Certificates (as hereinafter defined) pursuant to the Trust Agreement and the Series 2010A Supplemental Trust Agreement.

(f) The Board and the Corporation further agree to use the proceeds of the Series 2010A Certificates to (i) refund, on a current basis, the Refunded Certificates pursuant to the terms of the Trust Agreement (including, particularly, Articles V and XII thereof) and an Escrow Deposit Agreement (the "Escrow Deposit Agreement"), between the Board and The Bank of New York Mellon Trust Company, N.A., as Escrow Agent, in order to restructure and reduce certain Basic Rent Payments payable under the Prior Lease Schedule as aforesaid and (ii) pay costs associated with the issuance of the Series 2010A Certificates. The portion of the proceeds of the Series 2010A Certificates to be applied to the refunding of the Refunded Certificates shall be deposited into an escrow deposit trust fund established pursuant to the Escrow Deposit Agreement and shall constitute the deposit of prepaid Basic Rent Payments by the Board.

2. Series 1999 Project. The leased property, which is described in Section 7 of this Lease Schedule (the "Series 1999 Project"), and has a Maximum Cost of \$127,889,789 (inclusive of interest earnings), has been or is being acquired, constructed and installed, and lease-purchased, by the Board from the Corporation pursuant to the terms of the Lease Agreement.

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

(a) The Commencement Date for the Series 1999 Project was October 1, 1999.

2

in prepaid Basic Rent Payments deposited in the escrow deposit trust fund established by the Escrow Deposit Agreement for the Refunded Certificates.

6. Use of Certificate Proceeds. (a) The proceeds of the Series 2001A Certificates were disbursed as follows:

Deposit to Series 2001A Subaccount of the Interest Account established for the Series 2001A Certificates.....	\$225,125.56
Deposit to Series 2001A Subaccount of Costs of Issuance Account established for the Series 2001A Certificates	623,155.28*
Deposit to escrow fund as prepaid Basic Rent for the refunded Series 1999 Certificates.....	101,215,098.58

*\$388,000 of which shall be wired directly to MBIA at closing.

(b) The proceeds of the Series 2010A Certificates shall be disbursed as follows:

Deposit to Series 2010A Subaccount of Costs of Issuance Account established for the Series 2010A Certificates	\$368,979.80
Deposit to Escrow Fund as prepaid Basic Rent for the Refunded Certificates	99,925,730.00

7. The Series 1999 Project. The Project Description, Project Budget and Project Schedule for the Series 1999 Project are attached hereto as Schedule B.

8. Designated Equipment. The Designated Equipment for the Series 1999 Project is attached hereto as part of Schedule B.

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

10. Title Insurance. For purposes of Section 6.03(c) of the Trust Agreement, the amount of title insurance applicable to each site on which the Series 1999 Project shall be located shall be \$1,000,000 per each Series 1999 Project site.

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

4

(b) The Initial Lease Termination Date of the lease of the Series 1999 Project was June 30, 2000. The Maximum Lease Term shall commence on the Commencement Date hereof and terminate on June 30, 2025.

(c) The Estimated Completion Date for the Series 1999 Project was October 1, 2002.

4. Certificates of Participation.

(a) The Certificates of Participation issued under the Trust Agreement and related to this Lease Schedule are identified as (i) Refunding Certificates of Participation (School Board of Hillsborough County, Florida Master Lease Program), Series 2010A Evidencing an Undivided Proportionate Interest of the Owners thereof in Basic Rent Payments to be made under a Master Lease-Purchase Agreement by The School Board of Hillsborough County, Florida (the "Series 2010A Certificates"), and (ii) the Outstanding Series 2001A Certificates.

(b) The Credit Enhancer for the Outstanding Series 2001A Certificates is National Public Finance Guarantee Corporation, as reinsurer of MBIA Insurance Corporation ("National"). There is no Credit Enhancer for the Series 2010A Certificates.

(c) The Reserve Requirement for the Outstanding Series 2001A Certificates and the Series 2010A Certificates established in the Reserve Account under the Trust Agreement is zero (\$0.00).

(d) The Optional Prepayment Date for the Outstanding Series 2001A Certificates is July 1, 2010. The Optional Prepayment Date for the Series 2010A Certificates shall be July 1, 2020.

(e) No Prepayment Amount is designated for purposes of 6.03(g) of the Trust Agreement.

(f) The Closure Date of the Series 1999 Subaccount of the Project Account established for the Series 1999 Project, for purposes of Section 6.03(g) of the Trust Agreement, shall not be applicable.

5. Basic Rent and Basic Rent Payment Dates. The Basic Rent payable by the Board to the Corporation with respect to the Series 1999 Project under the Lease Agreement is described in Schedule A attached hereto. The Basic Rent Payment Dates with respect to the Series 2001A Certificates and the Outstanding Series 2001A Certificates shall be June 15 and December 15 prior to each January 1 and July 1 payment set forth in said Schedule A. The obligation to make Basic Rent Payments in regard to the Refunded Certificates shall remain in effect to the extent of any deficiency

3

12. Assignment of Lease Agreement and Ground Lease Agreement. The Corporation hereby acknowledges that all Lease Payments and its rights, title and interest in this Lease Schedule and, with certain exceptions, the Lease Agreement have been assigned to the Trustee pursuant to the Assignment of Lease Agreement, dated as of April 1, 1994, as supplemented and amended pursuant to a Twenty-Second Amendment to Assignment of Lease Agreement, between the Corporation and the Trustee, dated as of April 1, 2010 and that all of its right, title and interest in the Ground Lease Agreement, dated October 1, 1999, as amended and supplemented, particularly as amended by the First Amendment to Ground Lease Agreement, dated as of April 1, 2010, have been assigned to the Trustee pursuant to an Assignment of Ground Lease, dated as of October 1, 1999.

13. Other Permitted Encumbrances. Those encumbrances set forth in the title policies delivered in connection with any Series 1999 Project component site.

14. Special Terms and Conditions for Lease Schedule.

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

National Public Finance Guarantee Corporation
113 King Street
Armonk, New York 10504
Attention: Surveillance

Supplemental Provisions Required by National. For purposes of this Lease Schedule with respect to the Outstanding Series 2001A Certificates only, the following provisions shall apply:

(1) To the extent the Board elects to self-insure for any damage or liability as provided in Section 5.07 of the Lease Agreement, such self-insurance monies may not be commingled with other Board monies; and

(2) The Board may not sublease the Series 1999 Project pursuant to Section 6.01 of the Lease Agreement without the consent of National; and

(3) National shall direct and control all remedies pursuant to Section 7.03 of the Lease Agreement so long as National has not defaulted on any of its payment obligations under its Credit Facility.

5

IN WITNESS WHEREOF, each of the parties hereto have caused this Second Amended and Restated Lease Schedule No. 1999 to be executed by their proper corporate officers, all as of the 1st day of April, 2010.

**HILLSBOROUGH SCHOOL BOARD
LEASING CORPORATION**

By: _____
President

(SEAL)

Attest: _____
Secretary

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

By: _____
Chair

(SEAL)

Attest: _____
Superintendent/Secretary

6

SCHEDULE A

TOTAL BASIC RENT SCHEDULE

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

A-1

BASIC RENT SCHEDULE BY GROUP

SCHEDULE B

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

PROJECT DESCRIPTION AND SCHEDULE

1. Middleton High School "GGG" was constructed on a 36-acre site north of Martin Luther King Boulevard, west of 40th Street, south of Hillsborough Avenue and east of Nebraska Avenue. The new school is a 2 story facility with approximately 2,537 student stations for grades 9 through 12. It contains approximately 208,627 gross square feet of classrooms, ancillary and support space.
2. Freedom High School "JJ" was constructed on an approximate 36-acre site west of Interstate 75, north of Bruce B. Downs Boulevard, east of State Road 41 and south of the Pasco County line. The new school is a 2-story facility with approximately 2,537 student stations for grades 9 through 12. It contains approximately 208,627 gross square feet of classrooms, ancillary and support space.
3. Liberty Middle School "JJ" was constructed on an approximate 17-acre site west of Interstate 75, north of Bruce B. Downs Boulevard, east of State Road 41 and south of the Pasco County line. The new school is a 2-story facility with approximately 1,568 student stations for grades 6 through 8. It contains approximately 134,927 gross square feet of classrooms, ancillary and support space.
4. Mulrennan Middle School "NN" was constructed on an approximate 30-acre site southeast of the County. The site is located on the southwest corner of the intersection of Durant Road and Pearson Street. The new school is a 2-story facility with approximately 1,511 student stations for grades 6 through 8. It contains approximately 128,000 square feet.
5. Sheehy Elementary School "B" was constructed in East Tampa. The site is bordered by 40th Street to the east, River Grove Street to the north, East Fern Street to the south and 39th Street on a portion of the western boundary. It contains approximately 55,280 gross square feet of classrooms, ancillary and support space serving 610 students for grades kindergarten through 5.
6. Athletic Facilities. Athletic Facilities at Newsome and Spoto High Schools.

A-2

A-3

ESTIMATED PROJECT BUDGET

Middleton High School "GGG"	
Building and Site Preparation	\$ 32,297,403
Furniture/Equipment	4,404,191
Total	<u>\$ 36,701,594</u>
Freedom High School "JJJ"	
Building and Site Preparation	\$ 34,062,342
Furniture/Equipment	4,644,865
Land	2,025,897
Total	<u>\$ 40,733,104</u>
Liberty Middle School "JJ"	
Building and Site Preparation	\$ 15,637,005
Furniture/Equipment	2,132,319
Land	2,025,896
Total	<u>\$ 19,795,220</u>
Mulrennan Middle School "NN"	
Building and Site Preparation	\$ 14,617,156
Furniture/Equipment	1,993,248
Total	<u>\$ 16,610,404</u>
Sheehy Elementary School "B"	
Building and Site Preparation	\$ 7,418,122
Furniture/Equipment	1,011,562
Total	<u>8,429,684</u>
Newsome High School Athletic Facility	3,041,219
Spoto (High School PPP) Athletic Facility	2,578,564
TOTAL	<u>\$127,889,789⁽¹⁾</u>

⁽¹⁾ Includes interest earnings.

A-4

ESTIMATED DRAWDOWN SCHEDULE

Date	Amount
Nov. 1999	4,250,000.00
Dec. 1999	537,645.00
Jan. 2000	578,889.00
Feb. 2000	952,795.00
Mar. 2000	1,117,182.00
Apr. 2000	1,331,589.00
May 2000	1,861,169.00
Jun. 2000	2,756,793.00
Jul. 2000	2,624,846.00
Aug. 2000	2,959,935.00
Sep. 2000	2,725,688.00
Oct. 2000	2,803,991.00
Nov. 2000	2,700,963.00
Dec. 2000	2,807,750.00
Jan. 2001	2,987,007.00
Feb. 2001	3,666,086.00
Mar. 2001	3,302,940.00
Apr. 2001	3,708,377.00
May 2001	4,055,227.00
Jun. 2001	4,074,781.00
Jul. 2001	3,872,872.00
Aug. 2001	4,660,001.00
Sep. 2001	4,493,464.00
Oct. 2001	4,660,001.00
Nov. 2001	4,166,453.00
Dec. 2001	4,113,278.00
Jan. 2002	4,102,626.00
Feb. 2002	3,593,555.00
Mar. 2002	3,815,993.00
Apr. 2002	3,601,517.00
May 2002	3,550,046.00
Jun. 2002	2,911,616.00
Jul. 2002	2,910,891.00
Aug. 2002	2,912,128.00
Sep. 2002	2,910,379.00
Oct. 2002	2,911,484.00
Total	\$ 111,000,000.00

B-1

DESIGNATED EQUIPMENT

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

Athletic Facilities located at Newsome High School (previously known as High School ("LLL"))

Athletic Facilities located at Spoto High School (previously known as High School ("PPP"))

B-2

EXHIBIT A TO SCHEDULE B

EDUCATIONAL PLANT SURVEY EXCERPTS RELATED TO THE PROJECT COMPONENTS

[Not Required – See attached FDOE Waiver]

SCHEDULE C

SCHEDULE D

DESCRIPTION OF THE LAND

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

1. Resolution of the School Board.
2. Certificate of School Board.
3. Ground Lease Agreement.
4. Series 2010A Supplemental Trust Agreement.
5. Memorandum of Lease with respect to Series 1999 Project.
6. Memorandum of Ground Lease with respect to Series 1999 Project.

C-1

D-1

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APPENDIX F

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

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RECORD VERIFIED

Richard Ake
Clerk of Circuit Court
Hillsborough County, Fla.
By Luis M. LeDuc, D.C.

10
me

This document prepared by:

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

OFF. REC. 7398PG 580

ASSIGNMENT OF LEASE AGREEMENT

by and between

HILLSBOROUGH SCHOOL BOARD LEASING CORPORATION,
as Lessor

and

NATIONSBANK OF FLORIDA, N.A.,
as Trustee

Dated as of April 1, 1994

RICHARD AKE
CLERK OF CIRCUIT COURT
HILLSBOROUGH COUNTY

	Page
SECTION 1. RECITALS	1
SECTION 2. ASSIGNMENT	1
SECTION 3. ACCEPTANCE	2
SECTION 4. CONDITIONS	2
SECTION 5. REPRESENTATIONS AND AGREEMENTS	2
SECTION 6. NON-RECOURSE	4
SECTION 7. NO INDIVIDUAL LIABILITY	5
SECTION 9. COUNTERPARTS	5
SECTION 10. LAW	5

THIS ASSIGNMENT OF LEASE AGREEMENT, is made and entered into as of April 1, 1994, by and between HILLSBOROUGH SCHOOL BOARD LEASING CORPORATION, a single purpose, not-for-profit corporation duly organized and validly existing under the laws of the State of Florida (the "Corporation") and NATIONSBANK OF FLORIDA, N.A., a national banking association with corporate trust powers duly qualified to enter into this Assignment of Lease Agreement, not in its individual capacity but solely as trustee (the "Trustee");

WITNESSETH:

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

SECTION 1. RECITALS. (a) The Corporation and the Board have entered into the Master Lease-Purchase Agreement, dated as of April 1, 1994 (which, together with all amendments and Lease Schedules thereto, including, without limitation, Lease Schedule No. 1994, dated as of April 1, 1994, shall be referred to herein as the "Lease Agreement"), between the Corporation and the Board, whereby the Corporation has agreed to lease to the Board, and the Board has agreed to lease from the Corporation, the Projects, as described in the Lease Agreement.

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

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

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

SECTION 2. ASSIGNMENT. The Corporation, for good and valuable consideration received, does hereby irrevocably sell,

assign and transfer to the Trustee, by absolute and outright assignment, for the benefit of the Owners of the Certificates, all of its right, title and interest in the Lease Agreement (other than the right to receive indemnification pursuant to the Lease Agreement, the right to enter into Lease Schedules from time to time and its obligations provided in Section 6.03 of the Lease Agreement), including its right to receive Lease Payments from the Board under the Lease Agreement and its right to use, sell and relet the Projects (under the circumstances contemplated by the Lease Agreement), and the right to exercise such rights and remedies as are conferred on the Corporation by the Lease Agreement. All rights of the Corporation in each Lease Schedule shall be assigned to the Trustee upon execution and delivery thereof by absolute and outright assignment. The Lease Payments shall be applied, and the rights so assigned shall be exercised, by the Trustee as provided in the Trust Agreement. Except for any Lease Schedules which are hereafter attached to the Lease Agreement and hereafter assigned by the Corporation to the Trustee pursuant to an amendment to this Assignment of Lease Agreement, the sale, assignment and conveyance of the rights, title and interest of the Corporation under and to the Lease Agreement are immediately complete and effective for all purposes.

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

SECTION 4. CONDITIONS. This Assignment Agreement shall confer no rights and impose no duties upon the Trustee beyond those expressly provided in the Trust Agreement.

SECTION 5. REPRESENTATIONS AND AGREEMENTS. (a) With respect to the sale, assignment and conveyance of the rights, title and interest of the Corporation under the Lease Agreement, the Corporation represents, warrants and covenants to and with the Trustee, for the benefit of the Owners of the Certificates, that:

(i) The Corporation is a single-purpose, 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.

(ii) 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 Lease Agreement, the Trust Agreement and this Assignment Agreement.

(iii) The Corporation has full power, authority and legal right to enter into and perform its obligations under the Lease Agreement, the Trust Agreement and this Assignment

Agreement; and the execution, delivery and performance of the Lease Agreement, the Trust Agreement and this 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.

(iv) The execution, delivery and performance of the Lease Agreement, the Trust Agreement and this 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.

(v) To the Corporation's knowledge, the Lease Agreement and the Trust Agreement are in full force and effect and the Corporation is not in default thereunder; and, the Lease Agreement, the Trust Agreement and this 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.

(vi) The Corporation has complied, and will at all times hereafter comply, with and duly perform its obligations under the Lease Agreement, the Trust Agreement and this Assignment Agreement.

(vii) 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 governmental agency in any way affecting the ability of the Corporation to perform its obligations under the Lease Agreement, the Trust Agreement or this Assignment Agreement.

(viii) The 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 Lease Agreement and encumbrances permitted thereunder, including the Permitted Encumbrances.

(b) From and after the date of delivery to the Trustee of this Assignment Agreement, the Corporation shall have no further rights or interest under the Lease Agreement with respect to same or in any Lease Payments (except any rights of indemnification of the Corporation under the Lease Agreement, the Corporation's right to enter into Lease Schedules from time to time and the Corporation's obligations under Section 6.03 of the Lease), the Projects or other moneys due with respect thereto or to become due under the Lease Agreement.

(c) 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 Certificates, any documents deemed necessary by the Trustee or such Owners to evidence further the assignment and conveyance herein made with respect to the Lease Agreement including, without limitation, any amendments hereto necessary or desirable to assign to the Trustee any Lease Schedules executed and delivered after the date hereof.

(d) The Corporation hereby irrevocably constitutes and appoints the Trustee, or its successors or assigns, as its lawful attorney, with full power of substitution and resubstitution, 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 amounts due under the Lease Agreement, or any part thereof, to withdraw or settle any claims, suits or proceedings pertaining to or arising out of the 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 Lease Agreement.

(e) 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 Lease Agreement.

(f) In order to secure payment of the Certificates, the Corporation hereby authorizes the Trustee to take possession of the Projects, and title thereto in accordance with the provisions of the Trust Agreement and Lease Agreement, and sell or relet such Projects, or any portion thereof, in the circumstances described in the Trust Agreement.

SECTION 6. NON-RECOURSE. The parties hereto agree that the assignment contained in this 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

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

HILLSBOROUGH SCHOOL BOARD LEASING CORPORATION, as Lessor

By: Yvonne McKittrick
Name: Yvonne McKittrick
Title: President
Address: 901 East Kennedy Blvd.
Tampa, Florida 33602

Attest:

Walter L. Sickles
Name: Walter L. Sickles
Title: Secretary
Address: 901 East Kennedy Blvd.
Tampa, Florida 33602

NATIONSBANK OF FLORIDA, N.A., as Trustee

By: Shari B. Sawyer
Name: Shari B. Sawyer
Title: Vice President
Address: 400 North Ashley Dr.
6th Floor
Tampa, Florida 33602

Attest:

Jeane Milkey
Name: Jeane Milkey
Title: Trust Officer
Address: 400 North Ashley Dr.
6th Floor
Tampa, Florida 33602

or Event of Non-Appropriation by the Board under the Lease Agreement.

SECTION 7. NO INDIVIDUAL LIABILITY. All covenants, stipulations, promises, agreements and obligations of the parties hereto contained in this 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 by Section 2 hereof or for any claim based thereon under this Assignment Agreement against any member, officer, employee or agent of the parties hereto.

SECTION 8. AMENDMENTS UPON DELIVERY OF ADDITIONAL LEASE SCHEDULES. The Corporation hereby agrees to deliver to the Trustee upon the execution and delivery of any Lease Schedules after the date hereof an amendment to this Assignment of Lease Agreement which provides for the assignment of the rights of the Corporation in and to said Lease Schedule in accordance with the terms hereof and confirms the representations and agreements of the Corporation set forth in Section 5 hereto as of the date thereof.

SECTION 9. COUNTERPARTS. This Assignment Agreement may be executed in counterparts, and each of said counterparts shall be deemed an original for all purposes of this Assignment Agreement. All of such counterparts taken together shall be deemed to be one and the same instrument.

SECTION 10. LAW. This Assignment Agreement shall be construed under the laws of the State of Florida.

STATE OF FLORIDA)
COUNTY OF HILLSBOROUGH) SS:

The foregoing instrument was acknowledged before me this 18th day of May, 1994, by Yvonne McKittrick and Walter Sickles, the President and Secretary, respectively, of the HILLSBOROUGH SCHOOL BOARD LEASING CORPORATION.



Charisse Ann Simpson
Name: Charisse Ann Simpson
Notary Public, State of Florida

(NOTARIAL SEAL)

My Commission Expires:

Personally Known ☒ or Produced Identification ☐
Type of Identification Produced _____

STATE OF FLORIDA)
COUNTY OF HILLSBOROUGH) SS:

OFF. 73981 589
REC.

The foregoing instrument was acknowledged before me this 17th day of May, 1994, by Shari B. Savyers and Jeanne Milkey, the Vice President and Trust Officer, respectively, of NATIONS BANK OF FLORIDA, N.A.

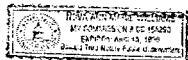
Mrs. Antoinette Willett
Name:
Notary Public, State of Florida

(NOTARIAL SEAL)

My Commission Expires:

Personally Known ☒ or Produced Identification _____

Type of Identification Produced _____



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This document prepared by:

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

**TWENTY-SECOND AMENDMENT TO
ASSIGNMENT OF LEASE AGREEMENT**

by and between

**HILLSBOROUGH SCHOOL BOARD LEASING CORPORATION,
as Lessor**

and

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.
(successor to NationsBank of Florida, N.A),
as Trustee**

Dated as of April 1, 2010

TABLE OF CONTENTS

	<u>Page</u>
SECTION 1. RECITALS	1
SECTION 2. ASSIGNMENT	5
SECTION 3. ACCEPTANCE	6
SECTION 4. CONFLICTS; ASSIGNMENT AGREEMENT TO CONTINUE IN FORCE	6
SECTION 5. COUNTERPARTS	6
SECTION 6. LAW	6

TWENTY-SECOND AMENDMENT TO ASSIGNMENT OF LEASE AGREEMENT

THIS TWENTY-SECOND AMENDMENT TO ASSIGNMENT OF LEASE AGREEMENT, is made and entered into as of April 1, 2010, by and between the **HILLSBOROUGH SCHOOL BOARD LEASING CORPORATION**, a not-for-profit corporation duly organized and validly existing under the laws of the State of Florida (the "Corporation") and **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.** (successor to NationsBank of Florida, N.A.), a national banking association with corporate trust powers duly qualified to enter into this Twenty-Second Amendment to Assignment of Lease Agreement, not in its individual capacity but solely as successor trustee (the "Trustee");

WITNESSETH:

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

SECTION 1. RECITALS. (a) The Corporation and the Board have entered into the Master Lease-Purchase Agreement, dated as of April 1, 1994 (which, together with all amendments and Lease Schedules thereto, shall be referred to herein as the "Lease Agreement"), between the Corporation and the Board, whereby the Corporation has agreed to lease to the Board, and the Board has agreed to lease from the Corporation, the Projects, as described in the Lease Agreement.

(b) The Corporation and Trustee have entered into the Assignment of Lease Agreement, dated as of April 1, 1994, as amended and supplemented as hereinafter described (the "Assignment Agreement"), which Assignment Agreement has been recorded at Official Records Book 7398, page 580, of the Public Records of Hillsborough County, Florida.

(c) The Corporation and Trustee amended the Assignment Agreement to acknowledge Lease Schedule No. 1995 by entering into the First Amendment to Assignment of Lease Agreement, dated as of June 1, 1995 (the "First Amendment to Assignment Agreement"), which First Amendment to Assignment Agreement has been recorded at Official Records Book 7807, page 1543, of the Public Records of Hillsborough County, Florida.

(d) The Corporation and Trustee amended the Assignment Agreement to acknowledge Lease Schedule No. 1996 by entering into the Second Amendment to Assignment of Lease Agreement, dated as of October 1, 1996 (the "Second Amendment to Assignment Agreement"), which Second Amendment to Assignment Agreement has

i

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been recorded at Official Records Book 8433, page 1107, of the Public Records of Hillsborough County, Florida.

(e) The Corporation and Trustee amended the Assignment Agreement to acknowledge Lease Schedule No. 1998 by entering into the Third Amendment to Assignment of Lease Agreement, dated as of March 1, 1998 (the "Third Amendment to Assignment Agreement"), which Third Amendment to Assignment Agreement has been recorded at Official Records Book 8960, page 1451, of the Public Records of Hillsborough County, Florida.

(f) The Corporation and Trustee amended the Assignment Agreement to acknowledge Lease Schedule No. 1999 by entering into the Fourth Amendment to Assignment of Lease Agreement, dated as of October 28, 1999 (the "Fourth Amendment to Assignment Agreement"), which Fourth Amendment to Assignment Agreement has been recorded at Official Records Book 09977, page 0554, of the Public Records of Hillsborough County, Florida.

(g) The Corporation and Trustee amended the Assignment Agreement to acknowledge Lease Schedule No. 2000-QZAB by entering into the Fifth Amendment to the Assignment of Lease Agreement, dated April 11, 2000 (the "Fifth Amendment to the Assignment Agreement") which Fifth Amendment to Assignment Agreement has been recorded at Official Records Book 10133, page 0124, of the Public Records of Hillsborough County, Florida.

(h) The Corporation and the Trustee amended the Assignment Agreement to acknowledge Lease Schedule No. 2000 by entering into the Sixth Amendment to Assignment of Lease Agreement, dated as of November 1, 2000 (the "Sixth Amendment to Assignment Agreement") which Sixth Amendment to Assignment Agreement has been recorded at Official Records Book 10486, page 0184, of the Public Records of Hillsborough County, Florida.

(i) The Corporation and the Trustee amended the Assignment Agreement to acknowledge Lease Schedule No. 2001A by entering into the Seventh Amendment to Assignment of Lease Agreement, dated as of January 15, 2001 (the "Seventh Amendment to Assignment Agreement") which Seventh Amendment to Assignment Agreement has been recorded at Official Records Book 10655, page 1783, of the Public Records of Hillsborough County, Florida.

(j) The Corporation and the Trustee amended the Assignment Agreement to acknowledge Lease Schedule No. 2001B by entering into the Eighth Amendment to Assignment of Lease Agreement, dated as of July 1, 2001 (the "Eighth Amendment to Assignment Agreement") which Eighth Amendment to Assignment Agreement has been recorded at Official Records Book 10991, page 1173, of the Public Records of Hillsborough County, Florida.

2

(k) The Corporation and the Trustee amended the Assignment Agreement to acknowledge Lease Schedule No. 2001-QZAB by entering into the Ninth Amendment to Assignment of Lease Agreement, dated November 6, 2001 (the "Ninth Amendment to Assignment Agreement"), which Ninth Amendment to Assignment Agreement has been recorded at Official Records Book 11246, Page 1840, of the Public Records of Hillsborough County, Florida.

(l) The Corporation and the Trustee amended the Assignment Agreement to acknowledge Lease Schedule No. 2002 by entering into the Tenth Amendment to Assignment of Lease Agreement, dated September 15, 2002 (the "Tenth Amendment to Assignment Agreement"), which Tenth Amendment to Assignment Agreement has been recorded at Official Records Book 12023, Page 1895, of the Public Records of Hillsborough County, Florida.

(m) The Corporation and the Trustee amended the Assignment Agreement to acknowledge Lease Schedule No. 2003B by entering into the Eleventh Amendment to Assignment of Lease Agreement, dated as of September 1, 2003 (the "Eleventh Amendment to Assignment Agreement"), which Eleventh Amendment to Assignment Agreement has been recorded at Official Records Book 13553, Page 1648, of the Public Records of Hillsborough County, Florida.

(n) The Corporation and the Trustee amended the Assignment Agreement to acknowledge Fourth Amended and First Restated Lease Schedule No. 1996 by entering into the Twelfth Amendment to Assignment of Lease Agreement, dated February 1, 2004 (the "Twelfth Amendment to Assignment Agreement"), which Twelfth Amendment to Assignment Agreement has been recorded at Official Records Book 13808, Page 0337, of the Public Records of Hillsborough County, Florida.

(o) The Corporation and the Trustee amended the Assignment Agreement to acknowledge Lease Schedule No. 2004B by entering into the Thirteenth Amendment to Assignment of Lease Agreement, dated as of February 1, 2004 (the "Thirteenth Amendment to Assignment Agreement"), which Thirteenth Amendment to Assignment Agreement has been recorded at Official Records Book 13592, Page 1343, of the Public Records of Hillsborough County, Florida.

(p) The Corporation and the Trustee amended the Assignment Agreement to acknowledge Lease Schedule No. 2004-QZAB by entering into the Fourteenth Amendment to Assignment of Lease Agreement (the "Fourteenth Amendment to Assignment Agreement"), which Fourteenth Amendment to Assignment Agreement has been recorded at Official Records Book 13952, Page 1277, of the Public Records of Hillsborough County, Florida.

(q) The Corporation and the Trustee amended the Assignment Agreement to acknowledge Lease Schedule No. 2004C by entering into the Fifteenth Amendment to

3

Assignment of Lease Agreement (the "Fifteenth Amendment to Assignment Agreement"), which Fifteenth Amendment to Assignment Agreement shall be recorded in the Public Records of Hillsborough County, Florida.

(r) The Corporation and Trustee amended the Assignment Agreement to acknowledge Fourth Amended and First Restated Lease Schedule No. 2000 by entering into a Sixteenth Amendment to Assignment of Lease Agreement (the "Sixteenth Amendment to Assignment Agreement"), which Sixteenth Amendment to Assignment Agreement has been recorded at Official Records Book 15808, Page 0453, of the Public Records of Hillsborough County, Florida.

(s) The Corporation and Trustee amended the Assignment Agreement to acknowledge Lease Schedule No. 2005-QZAB by entering into a Seventeenth Amendment to Assignment of Lease Agreement (the "Seventeenth Amendment to Assignment Agreement"), which Seventeenth Amendment to Assignment Agreement has been recorded at Official Records Book 15989, Page 1796, of the Public Records of Hillsborough County, Florida.

(t) The Corporation and the Trustee amended the Assignment Agreement to acknowledge Lease Schedule No. 2006A by entering into an Eighteenth Amendment to Assignment of Lease Agreement (the "Eighteenth Amendment to Assignment Agreement"), which Eighteenth Amendment to Assignment Agreement has been recorded at Public Records of Hillsborough County, Florida.

(u) The Corporation and the Trustee amended the Assignment Agreement to acknowledge the Second Amended and Restated Lease Schedule No. 1998 and Amended and Restated Lease Schedule No. 2001B by entering into a Nineteenth Amendment to Assignment of Lease Agreement (the "Nineteenth Amendment to Assignment Agreement"), which Nineteenth Amendment to Assignment Agreement has been recorded at Official Records Book 17479, Page 1500, of the Public Records of Hillsborough County, Florida.

(v) The Corporation and the Trustee deem it necessary to further amend the Assignment Agreement to acknowledge Lease Schedule No. 2007 (the "Twentieth Amendment to Assignment Agreement"), which Nineteenth Amendment to Assignment Agreement has been recorded at Official Records Book 17744, Page 1926, of the Public Records of Hillsborough County, Florida.

(w) The Corporation and the Trustee deem it necessary to further amend the Assignment Agreement to acknowledge the Third Amended and Restated Lease Schedule No. 1998 by entering into the Twenty-First Amendment to Assignment of Lease Agreement (the "Twenty-First Amendment to Assignment Agreement"), which Twenty-First Amendment to Assignment Agreement has been recorded at Official Records Book 18829, Page 142, of the Public Records of Hillsborough County, Florida.

(x) The Corporation and the Trustee deem it necessary to further amend the Assignment Agreement to acknowledge Second Amended and Restated Lease Schedule No. 1999 by entering into this Twenty-Second Amendment to Assignment of Lease Agreement (the "Twenty-Second Amendment to Assignment Agreement").

(y) The Certificates shall be issued from time to time in order to finance and refinance 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.

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

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

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

SECTION 2. ASSIGNMENT. The Corporation, for good and valuable consideration received, does hereby irrevocably sell, assign and transfer to the Trustee, for the benefit of the Owners of the Certificates, all of its right, title and interest in the Lease Agreement, as amended and supplemented, in particular as supplemented by Second Amended and Restated Lease Schedule No. 1999 (other than the right to receive indemnification pursuant to the Lease Agreement, the right to enter into Lease Schedules from time to time and its obligations provided in Section 6.03 of the Lease Agreement), including its right to receive Lease Payments from the Board under the Lease Agreement and its right to use, sell and re-let the Projects (under the circumstances contemplated by the Lease Agreement), and the right to exercise such rights and remedies as are conferred on the Corporation by the Lease Agreement. All rights of the Corporation in each Lease Schedule shall be assigned to the Trustee upon execution and delivery thereof. The Lease Payments shall be applied, and the rights so assigned shall be exercised, by the Trustee as provided in the Trust Agreement. Except for any Lease Schedules which are hereafter attached to the Lease Agreement and hereafter assigned by the Corporation to the Trustee pursuant to an amendment to this Assignment of Lease Agreement, the sale, assignment and conveyance of the rights, title and interest of the Corporation under and to the Lease Agreement are immediately complete and effective for all purposes.

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

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

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

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

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

**HILLSBOROUGH SCHOOL BOARD
LEASING CORPORATION, as Lessor**

(SEAL)

Witness: _____
Name: _____

Witness: _____
Name: _____

By: _____
Name: Susan L. Valdes
Title: President
Address: 901 East Kennedy Boulevard
3rd Floor
Tampa, Florida 33602

ATTEST:

Witness: _____
Name: _____

Witness: _____
Name: _____

By: _____
Name: MaryEllen Elia
Title: Secretary
Address: 901 East Kennedy Boulevard
3rd Floor
Tampa, Florida 33602

6

F-7

7

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Trustee**
(successor to NationsBank of Florida, N.A.)

(SEAL)

Witness: _____
Name: _____

Witness: _____
Name: _____

By: _____
Name: Linda Boenish
Title: Vice President
Address: Corporate Trust Division
10161 Centurion Parkway
Jacksonville, Florida 32256

STATE OF FLORIDA)
) SS:
COUNTY OF HILLSBOROUGH)

The foregoing instrument was acknowledged before me this ____ day of _____, 2010, by Susan L. Valdes and MaryEllen Elia, the President and Secretary, respectively, of the HILLSBOROUGH SCHOOL BOARD LEASING CORPORATION. Such person(s) did not take an oath and:

- ☒ is/are personally known to me.
- ☐ produced a current Florida driver's license as identification.
- ☐ produced _____ as identification.

(SEAL)

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

STATE OF FLORIDA)
) SS:
COUNTY OF HILLSBOROUGH)

The foregoing instrument was acknowledged before me this ____ day of _____, 2010, by Linda Boenish, Vice President of The Bank of New York Mellon Trust Company, N.A., as trustee (successor to NationsBank of Florida, N.A.). Such person(s) did not take an oath and:

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

(SEAL)

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

APPENDIX G
FORM OF GROUND LEASE

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GROUND LEASE AGREEMENT

by and between

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

and

**HILLSBOROUGH SCHOOL BOARD LEASING CORPORATION,
as Lessee**

Dated as of October 1, 1999

TABLE OF CONTENTS

	Page
SECTION 1. LEASED PREMISES.	2
SECTION 2. TERM.	4
SECTION 3. USE OF PREMISES.	4
SECTION 4. RENTAL.	5
SECTION 5. OWNERSHIP OF IMPROVEMENTS AND SURRENDER OF PREMISES.	6
SECTION 6. BOARD'S INTEREST NOT SUBJECT TO CERTAIN LIENS.	7
SECTION 7. INSURANCE.	7
SECTION 8. CONDITION OF PREMISES, UTILITIES, CONCEALED CONDITIONS.	7
SECTION 9. LIMITATION ON LEASEHOLD MORTGAGES, ASSIGNMENT AND SUBLETTING.	8
SECTION 10. UTILITY EASEMENTS.	9
SECTION 11. DUTIES DEEMED PERFORMED.	9
SECTION 12. TAXES AND FEES.	9
SECTION 13. DEFAULT BY THE CORPORATION.	10
SECTION 14. REMEDIES OF BOARD.	11
SECTION 15. NO WAIVERS.	11
SECTION 16. QUIET ENJOYMENT.	11
SECTION 17. TERMS BINDING UPON SUCCESSORS.	12
SECTION 18. CONDEMNATION.	12

i

SECTION 19. NON-MERGER OF LEASEHOLD.	12
SECTION 20. MEMORANDUM OF GROUND LEASE.	13
SECTION 21. CHANGES TO PROPERTY DESCRIPTION.	13
SECTION 22. OPTION TO RENEW.	13
SECTION 23. ESTOPPEL CERTIFICATES.	13
SECTION 24. NONRECOURSE OBLIGATION OF THE CORPORATION.	14
SECTION 25. NO RECOURSE UNDER AGREEMENT.	14
SECTION 25. RADON GAS.	14
SECTION 26. MISCELLANEOUS.	14
EXHIBIT A PREMISES DESCRIPTION	
EXHIBIT B DESCRIPTION OF SERVIENT PROPERTY	
EXHIBIT C GROUND LEASE SUPPLEMENT	

ii

GROUND LEASE AGREEMENT

THIS GROUND LEASE AGREEMENT (hereinafter referred to as this "Ground Lease") is made and entered into as of October 1, 1999, by and between the **SCHOOL BOARD OF HILLSBOROUGH 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 Hillsborough County School District, and the **HILLSBOROUGH SCHOOL BOARD LEASING CORPORATION**, a single-purpose, not-for-profit corporation organized and existing under the laws of the State of Florida, having an office in Tampa, Florida (the "Corporation"), as lessee.

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

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

WHEREAS, the Corporation desires to acquire a leasehold interest in the Premises and construct thereon certain educational facilities (together with the acquisition of certain Equipment, the "Series 1999 Project") and to lease the Series 1999 Project, including a sublease of the Premises, to the Board, all in accordance with the terms and provisions of the Lease Agreement; and

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

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

WHEREAS, it is anticipated that the Project may be attached to the Servient Property for pedestrian and vehicular ingress, egress and access to and from and between the Premises and the public roads adjoining the Servient Property (hereinafter referred to as "Access"); and may further be dependent upon the Servient Property for utility and other enjoyment of the Premises which such services include, but are not necessarily limited to, drainage, sewer and water service, electric and telephone service, gas service and parking of vehicles (collectively, the "Services"); and

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

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

SECTION 1. LEASED PREMISES. (a) Pursuant to the terms and provisions hereof, the Board hereby leases, grants, demises and transfers the Premises and the Project, other than the Designated Equipment, to the Corporation. The Board hereby agrees to make all parcels of real property on which the Series 1999 Project is sited part of the Premises and subject to this Ground Lease. The Board shall execute, deliver and record one or more supplements to the Ground Lease upon acquisition of each such parcel.

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

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

(ii) The Servient Buildings and the Series 1999 Project may contain certain elements, features or parts which are structural elements of both the Servient Buildings and the Series 1999 Project (hereinafter referred to as "Common Structural Elements"). Such Common Structural Elements include, but are not necessarily limited to the following:

(A) All utility lines, ducts, conduits, pipes and other utility fixtures and appurtenances which are located on or within either the Premises or the Series 1999 Project on the one hand or the Servient Property or Servient Buildings on the other hand and which, directly or indirectly, in any way, service the other.

(B) All division walls (hereinafter referred to as "Party Walls") between the Series 1999 Project and the Servient Buildings upon the common line between the Premises and the Servient Property (hereinafter referred to as the "Lot Line") provided that the mere fact that such a division wall is found not to be on the Lot Line shall not preclude that division wall from being the Party Wall.

(C) The roof and all roof support structures and any and all appurtenances to such roof and roof support structures including, without limitation, the roof covering, roof trim and roof drainage fixtures (collectively, the "Roofing") to the extent interrelated between the Series 1999 Project and the Servient Buildings. Should the Roofing of any building constituting a portion of the Project extend beyond the Lot Line, the right therefor is hereby granted and should the Roofing of the Servient Building extend beyond the Lot Line onto the premises, the right therefor is hereby reserved.

(D) The entire concrete floor slab or wood floor system if utilized in lieu thereof and all foundational and support structures and appurtenances thereto to the extent interrelated between the Series 1999 Project and the Servient Buildings (collectively referred to as "Flooring"). Should the Flooring of the Series 1999 Project extend beyond the Lot Line onto the Premises, the right therefor is hereby reserved.

(iii) The Premises Rights further include that right of the Series 1999 Project to encroach upon the Servient Property as a result of minor inaccuracies in survey, construction or reconstruction or due to settlement or movement. The encroaching Series 1999 Project shall remain undisturbed for as long as same exist and, for so long as such encroachment exists, that portion of the Servient Property on which same exists shall be deemed to be a part of the Premises. In addition, the Premises Rights include the right to utilize that portion of the Servient Property as may be reasonably necessary in order to maintain and repair the Series 1999 Project. The Premises Rights further include cross rights of support and use over, upon, across, under, through and into Common Structural Elements in favor of the Corporation (and like rights are hereby reserved unto the Board) for the continued use, benefit and enjoyment and continued support, service, maintenance and repair of all such Common Structural Elements.

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

SECTION 2. TERM. The initial term of this Ground Lease (the "Initial Ground Lease Term") shall be for the period commencing on the Commencement Date, and ending on the earlier of (a) the date on which the Series 1999 Certificates have been paid or provision for payment

3

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

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

(ii) for each twelve-month period beginning on the July 1 next succeeding the date on which terminated and beginning on each succeeding July 1, the amount of the fair market rental determined by the Appraisal shall be adjusted by the percentage (positive or negative) which is equal to the Implicit Price Deflator of the Consumer Price Index published by the United States Department of Commerce for the region of the United States where Florida is located or for the United States as a whole if not so published for such region;

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

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

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

(b) Possession and use of the Premises, together with all improvements thereon, shall, upon the last day of the Ground Lease Term or earlier termination of this Ground Lease, automatically revert to the Board free and clear of liens and encumbrances other than Permitted

5

of the Series 1999 Certificates has been made pursuant to Section 12.01 of the Trust Agreement and any Supplemental Rent arising under the Lease Agreement shall have been paid or provided for, or (b) June 30, 2030 (both dates inclusive). As used herein, the expression "term hereof," "Ground Lease Term" or any similar expression refers collectively to the Initial Ground Lease Term and to any renewals of the Initial Ground Lease Term exercised by the Corporation or its assignee as provided in Section 22 hereof.

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

(i) the Premises shall be used by the Corporation as the site for acquisition, construction and installation of the Buildings comprising a portion of the Series 1999 Project;

(ii) the Buildings and Equipment comprising a portion of the Series 1999 Project shall be acquired, constructed and installed by the Board as agent for the Corporation as provided in Section 3.08 of the Lease Agreement; and

(iii) title to the Premises shall be in the Board upon commencement of the Ground Lease Term and title to all components of the Series 1999 Project, other than Designated Equipment, shall be in name of Corporation pursuant to the Lease Agreement, and title to the Buildings comprising a portion of the Series 1999 Project constructed on the Premises shall remain severed from title to the Premises until the earlier of (A) the date on which the Series 1999 Certificates issued under the Trust Agreement shall no longer be Outstanding, and (B) the end of the Ground Lease Term.

(b) If the Lease Agreement has been terminated, the Corporation and each Permitted Transferee (as defined in Section 9(b) hereof) may use the Premises for any lawful purpose, in its sole discretion, and may alter, modify, add to or delete from the portions of the Series 1999 Project existing from time to time on the Premises.

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

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

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

4

Encumbrances without necessity of any act by the Corporation or any Permitted Transferee. Upon such termination of this Ground Lease, the Corporation or its assignee shall peacefully and quietly surrender to the Board the Premises together with any improvements located in or upon the Premises. Upon such surrender of the Premises, the Corporation or any Permitted Transferee, at the reasonable request of the Board, shall execute an instrument in recordable form evidencing such surrender and shall deliver to the Board all books, records, construction plans, surveys, permits and other documents relating to, and necessary or convenient for, the operation of the Premises and the improvements thereon in the possession of the Corporation or any Permitted Transferee.

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

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

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

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

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

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

6

(b) It is understood and agreed that the Board has determined that the Premises will safely or adequately support the Series 1999 Project, and hereby certifies same to the Corporation.

(c) The Board, at its sole expense, shall bring or cause to be brought to the Premises adequate connections for water, electrical power, storm sewerage and sewerage, and shall arrange with the appropriate utility companies for furnishing such services and shall provide to the Premises water service and capacity sufficient for operation, heating, ventilation and air conditioning equipment, and to the extent necessary to permit the Board to use the Series 1999 Project for the purposes intended or to permit such Series 1999 Project to comply with all requirements of law, the Corporation will provide and construct (but only to the extent of the proceeds of the Series 1999 Certificates available therefor) such roads, streets, sidewalks and other methods of ingress and egress necessary therefor. Nothing herein shall prohibit the Board from dedicating any such utilities or roads, streets and sidewalks to the appropriate governmental authority or duty constituted investor-owned utility as required or permitted by law, and the Corporation or the Trustee as assignee of the Corporation shall cooperate in such dedication by executing any deeds or other instruments required to effect such dedication.

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

(b) Except as expressly provided in this Section 9(b), the Corporation or its assignee shall not assign this Ground Lease, or any portion hereof, or sublease all or any portion of the Premises at any time. Except as expressly permitted in this Section 9(b), any purported assignment, partial assignment or sublease without the Board's prior written consent in violation of this Section 9(b) shall be null and void. So long as the Lease Agreement has not been terminated, (i) the Corporation may assign this Ground Lease to the Trustee for the benefit of the Owners of the Series 1999 Certificates, and (ii) the Corporation shall sublet all of the Premises to the Board (the "Initial Sublessee") under the Lease Agreement. If the Lease Agreement shall have been terminated, the Corporation or its assignee may sublet the Premises or assign its interest in this Ground Lease (a "Permitted Sublease") to any Person for any lawful purpose without the prior consent of the Board; provided, however, that no Permitted Sublease shall relieve the Corporation of any of its duties or obligations hereunder without the prior written consent of the Board; provided, however, that each Permitted Sublease shall be subject to the provisions of Section 9(d) hereof. "Permitted Transferee" shall mean a sublessee or assignee permitted by this Section 9(b).

7

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

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

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

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

(ii) If the Corporation or its assignee shall attempt to mortgage the leasehold estate hereby created in violation of Section 9(a) hereof or to assign this Ground Lease, or any portion thereof, or to sublease any portion of the Premises or the Series 1999 Project in violation of Section 9(b) hereof; or

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

(b) In the event that the item of default set forth in Section 13(a)(iii) above is of such a nature that it cannot be remedied within the time limits therein set forth, then the Corporation 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

9

(c) If the Lease Agreement shall have been terminated and the Corporation or its assignee proposes to create a Permitted Sublease of any portion of its interest in this Ground Lease, the Corporation shall provide written notice thereof to the Board containing the names and addresses of the proposed assignee(s), sublessee(s) or transferee(s); provided, however, that failure to provide such notice shall not affect the validity or effectiveness of any Permitted Sublease to a Permitted Transferee.

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

SECTION 10. UTILITY EASEMENTS. So long as the Lease Agreement has not been terminated, the Board reserves the right to grant nonexclusive utility easements, licenses, rights-of-way and other rights or privileges in the nature of easements to others over, under, through, across or on the Premises but only to the extent reasonably necessary to provide services to the Premises or any other real property adjacent to the Premises; provided, however, that such grant and any use permitted thereby is not detrimental to the use or operation of the Premises or to any other uses permitted hereunder after the Ground Lease Term, will not impose any cost upon the Corporation or its assignee, will not weaken, diminish or impair lateral or subjacent support to the improvements to the Premises, including, without limitation the Series 1999 Project, will not impair or diminish the security of any Leasehold Mortgage or Permitted Transferee hereunder and the Board agrees to indemnify and save harmless, but only from Available Revenues, the Corporation or its assignee and any Leasehold 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 assumed by the Initial Sublessee shall be deemed, as between the Board and the Corporation hereunder, fully performed whether or not such Initial Sublessee actually performs same.

SECTION 12. TAXES AND FEES. (a) The Board represents and warrants that this Ground Lease is and will be exempt from ad valorem and intangible taxation. However, for as long as the Lease Agreement is in effect, should the Premises thereon or any interest therein ever become subject to any such taxes, the Board agrees to pay any and all such lawful taxes, assessments or charges which at any time may be levied by any federal, state, county, city, or any tax or assessment levying body upon the Premises or the Series 1999 Project, or any interest in this Ground Lease, or any possessory right which the Corporation or its assignee may have in or to the Premises thereon by reason of its use or occupancy thereof or otherwise.

8

of such default within such time and proceeds completely to cure same within a timely and diligent manner.

SECTION 14. REMEDIES OF BOARD. Upon the occurrence of any event of default as set forth in Section 13 hereof which has not been cured (and is not in the process of being cured) under Section 13(b) or 13(c) hereof, but not otherwise, the Board may take whatever action at law or in equity may appear necessary or desirable to enforce its rights hereunder; provided, the Board shall not have the right to terminate this Ground Lease until such time as the Series 1999 Certificates have been paid or provision for payment has been made pursuant to the terms and provisions of the Trust Agreement. The Board shall have recourse solely against the leasehold estate of the Corporation or its assignee in the Premises, and any proceeds thereof, for the payment of any liabilities of the Corporation or its assignee hereunder.

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

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

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

10

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

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

(b) If the Lease Agreement shall have been terminated, (i) if such Person acquires title to such substantial portion thereof that the Corporation determines that it cannot economically make use of the residue for the lawful purposes intended by this Ground Lease, such acquisition of title shall terminate this Ground Lease, effective as of the date on which the condemning party takes possession thereof, and the Net Proceeds resulting therefrom shall be applied first to payment of any amount secured by any Leasehold Mortgage then outstanding hereunder, second, to payment of any outstanding Series 1999 Certificates, and, third, the balance, if any shall be paid to the Board and the Corporation, as their respective interests may appear, and (ii) if such Person acquires title to a portion of the Premises only, and the Corporation determines that it can economically make beneficial use of the residue thereof for the lawful purposes intended by this Ground Lease, then this Ground Lease shall continue in full force and effect and the Net Proceeds resulting therefrom shall be paid to the Board and the Corporation, as their respective interests appear.

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

SECTION 19. NON-MERGER OF LEASEHOLD. There shall be no merger of this Ground Lease or of the leasehold estate hereby created with the fee estate in the Premises or any part thereof by reason of the fact that the same Person may acquire or hold, directly or indirectly, this Ground Lease or leasehold estate hereby created or any interest in this Ground Lease or in such leasehold estate and the fee estate in the Premises or any interest in such fee estate. There shall be no merger of this Ground Lease with the Lease Agreement by reason of the fact that the Board is the owner of the fee title to the Premises and the leasehold estate in all or a portion of the Series 1999 Project created under the Lease Agreement or by reason of the fact that the Corporation is the owner of the leasehold estate in the Premises created hereby and is the owner of the fee title in the Series 1999 Project as provided in the Lease Agreement.

SECTION 20. MEMORANDUM OF GROUND LEASE. Unless mutually agreed to the contrary, simultaneously with the execution of this Ground Lease, the Board and the Corporation shall each execute, acknowledge and deliver a Memorandum of Ground Lease with respect to this Ground Lease. Said Memorandum of Ground Lease shall not in any circumstances be deemed to change or otherwise to affect any of the obligations or provisions of this Ground Lease.

SECTION 21. CHANGES TO PROPERTY DESCRIPTION. The Board reserves the right to substitute other land for, or add land to all or any portion of the premises

11

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

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

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

If to the Board: School Board of Hillsborough County, Florida
901 East Kennedy Boulevard
Tampa, Florida 33602
Attention: Superintendent and General Director of Finance

If to the Corporation: Hillsborough School Board Leasing Corporation
c/o School Board of Hillsborough County, Florida
901 East Kennedy Boulevard
Tampa, Florida 33602
Attention: Superintendent and General Director of Finance

If to the Trustee: The Bank of New York (successor to NationsBank of Florida, N.A.)
c/o The Bank of New York Trust Company of Florida, N.A.
10161 Centurian Parkway, 2nd Floor
Jacksonville, Florida 32256
Attention: Corporate Trust Department

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.

13

described in Exhibit A hereto, as same may be supplemented by supplements to this Ground Lease from time to time. The Board will do so only after notice and public hearing and subsequent adoption of a resolution in accordance with the Act. Upon such substitution the Memorandum of Ground Lease will be supplemented to reflect the change in legal description. Any such supplement shall be substantially in the form of Exhibit C attached hereto. Each substitution of a parcel of land subject to the provisions of this Ground Lease shall require the consent of the Credit Enhancer. Such consent by the Credit Enhancer shall only be required if the Credit Enhancer is not in default of its payment obligations under its Credit Facility or municipal Bond insurance policy.

SECTION 22. OPTION TO RENEW. In the event that the Lease Agreement shall have been terminated, and the Corporation, or the Trustee as the assignee of the Corporation, excludes the Board from possession of the Series 1999 Project, the Board grants to the Corporation and the Trustee the right and option to renew this Ground Lease for a period not to exceed ten years at a fair market rental to be determined, adjusted and paid in the manner and under the conditions set forth in Section 4(b) of this Ground Lease.

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

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

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

12

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

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

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

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

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

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

14

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

SCHOOL BOARD OF HILLSBOROUGH
COUNTY, FLORIDA, as Lessor

(SEAL)

By: Ann S. Olson
Chairman

ATTEST:

Earl J. Lennard
Superintendent/Secretary

(SEAL)

HILLSBOROUGH BOARD LEASING
CORPORATION, as Lessee

By: Ann S. Olson
President

ATTEST:

Earl J. Lennard
Secretary

15

STATE OF FLORIDA)
COUNTY OF HILLSBOROUGH) SS:

The foregoing instrument was acknowledged before me this 26th day of October, 1999, by Ann S. Olson and Dr. Earl J. Lennard, the Chairman and Superintendent/Secretary, respectively, of the HILLSBOROUGH COUNTY SCHOOL BOARD. Such person(s) did not take an oath and:

- ☒ is/are personally known to me.
☐ produced a current Florida driver's license as identification.
☐ produced _____ as identification.

(SEAL)



Name: John R. Stokes
Notary Public, State of Florida
My Commission Expires:

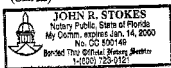
16

STATE OF FLORIDA)
COUNTY OF HILLSBOROUGH) SS:

The foregoing instrument was acknowledged before me this 26th day of October, 1999, by Ann S. Olson and Dr. Earl J. Lennard, the President and Secretary, respectively, of the HILLSBOROUGH SCHOOL BOARD LEASING CORPORATION. Such person(s) did not take an oath and:

- ☒ is/are personally known to me.
☐ produced a current Florida driver's license as identification.
☐ produced _____ as identification.

(SEAL)



Name: John R. Stokes
Notary Public, State of Florida
My Commission Expires:

17

EXHIBIT A

PREMISES DESCRIPTION

Policy No. A02-173226

LEGAL DESCRIPTION

315695

LENNAR SCHOOL SITE

DESCRIPTION: A parcel of land lying in Section 14 and Section 15, Township 27 South, Range 19 East, Hillsborough County, Florida, said parcel more particularly described as follows:

From the Southwest corner of said Section 14, run thence N.00°46'42"W., 443.45 feet along the West boundary of said Section 14 to the POINT OF BEGINNING; thence N.82°41'10"W., 160.93 feet; thence N.89°05'21"W., 939.07 feet; thence N.32°01'52"W., 1678.66 feet; thence N.25°53'53"W., 56.35 feet; thence N.16°54'59"E., 12.08 feet to a point on a curve; thence Northeasterly, 137.22 feet along the arc of a curve to the right having a radius of 1625.00 feet and a central angle of 04°50'17" (chord bearing N.54°34'51"E., 137.18 feet) to a point of tangency; thence N.57°00'00"E., 1955.12 feet to a point of curvature; thence Northeasterly, 339.09 feet along the arc of a curve to the left having a radius of 1275.00 feet and a central angle of 15°14'16" (chord bearing N.49°22'52"E., 338.09 feet) to a point of reverse curvature; thence Northeasterly, 74.38 feet along the arc of a curve to the right having a radius of 50.00 feet and a central angle of 89°14'16" (chord bearing N.84°22'52"E., 67.71 feet) to a point of tangency; thence S.53°00'00"E., 106.43 feet to a point of curvature; thence Southeasterly, 84.47 feet along the arc of a curve to the right having a radius of 440.00 feet and a central angle of 11°00'00" (chord bearing S.47°30'00"E., 84.34 feet) to a point of tangency; thence S.42°00'00"E., 1017.32 feet to a point of curvature; thence Southeasterly, 786.97 feet along the arc of a curve to the right having a radius of 1140.00 feet and a central angle of 39°33'09" (chord bearing S.22°13'25"E., 771.43 feet); thence S.61°10'48"W., 450.00 feet; thence S.38°26'00"E., 450.00 feet; thence S.19°41'50"W., 836.82 feet; thence N.70°18'10"W., 72.73 feet; thence N.69°01'25"W., 60.53 feet; thence N.59°49'59"W., 26.28 feet; thence N.60°14'22"W., 28.13 feet; thence S.74°01'17"W., 51.51 feet; thence S.39°27'06"W., 74.63 feet; thence S.86°26'49"W., 46.27 feet; thence N.82°41'10"W., 480.54 feet to the POINT OF BEGINNING.

Together with the following two non-exclusive easements:

EXHIBIT B

DESCRIPTION OF SERVIENT PROPERTY

Policy No. A02-173226

LEGAL DESCRIPTION

315695

Easement Parcel 1

Temporary Access Easement as created by instrument recorded October 29, 1999 in Official Records Book 9698, page 1251, described as follows:

FRONTAGE ROAD EASEMENT (Secondary Access Easement)
TAMPA TECH WEST

DESCRIPTION: A parcel of land lying in Section 14, Township 27 South, Range 19 East, Hillsborough County, Florida, and being more particularly described as follows:

From the Southwest corner of said Section 14, run thence along the South boundary of said Section 14, S.89°31'25"E., 2659.33 feet to a point on the Western right-of-way line of N.W. Frontage Road, 70' of Interstate Highway No. 75 as recorded in Official Records Book 3897, Page 139 and Official Records Book 3614, Page 333; thence along said Western right-of-way line the following three (3) courses: 1) N.12°04'48"W., 23.97 feet to a point on a curve; thence Northerly, 197.21 feet along the arc of a curve to the left having a radius of 2824.79 feet and a central angle of 04°00'00" (chord bearing N.15°04'47"W., 197.17 feet) to a point of tangency; thence N.17°04'47"W., 1804.95 feet to the POINT OF BEGINNING; thence N.81°49'46"W., 221.54 feet to a point of curvature; thence Westerly, 98.87 feet along the arc of a curve to the right having a radius of 675.00 feet and a central angle of 08°23'32" (chord bearing N.77°38'00"W., 98.28 feet) to a point of tangency; thence N.73°26'14"W., 143.48 feet to a point of curvature; thence Northwest, 80.14 feet along the arc of a curve to the right having a radius of 275.00 feet and a central angle of 15°41'49" (chord bearing N.65°05'20"W., 79.86 feet) to a point of tangency; thence N.56°44'25"W., 227.17 feet to a point of curvature; thence Westerly, 156.67 feet along the arc of a curve to the left having a radius of 275.00 feet and a central angle of 33°03'31" (chord bearing N.73°46'11"W., 156.46 feet) to a point of tangency; thence N.89°47'56"W., 7.45 feet to a point on a curve; thence Northerly, 24.94 feet along the arc of a curve to the left having a radius of 1260.00 feet and a central angle of 01°08'04" (chord bearing N.15°37'00"W., 24.94 feet); thence S.89°47'56"E., 14.26 feet to a point on a curve; thence Easterly, 172.52 feet along the arc of a curve to the right having a radius of 299.00 feet and a central angle of 33°03'31" (chord bearing S.73°16'11"E., 170.13 feet) to a point of tangency; thence S.58°44'25"E., 227.17 feet to a point of curvature; thence Southeast, 73.15 feet along the arc of a curve to the left having a radius of 251.00 feet and a central angle of 18°41'49" (chord bearing S.65°05'20"E., 72.89 feet) to a point of tangency; thence S.73°26'14"E., 143.48 feet to a point of curvature; thence Easterly, 95.35 feet along the arc of a curve to the left having a radius of 661.00 feet and a central angle of 08°23'32" (chord bearing S.77°38'00"E., 95.27 feet) to a point of tangency; thence S.61°49'46"E., 210.22 feet to a point on said Western right-of-way line of N.W. Frontage Road "C"; thence along said Western right-of-way line, S.17°04'47"E., 26.54 feet to the POINT OF BEGINNING.

EXHIBIT C

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

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

WITNESSETH:

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

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

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

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

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

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

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

C-1

LEGAL DESCRIPTION

315695

Easement Parcel 2

Temporary Access and Utility Easement as created by instrument recorded October 29, 1999 in Official Records Book 9698, page 1244, described as follows:

COMMERCE PARK BOULEVARD EASEMENT
TAMPA TECH WEST

DESCRIPTION: A parcel of land lying in Sections 14 and 23, Township 27 South, Range 19 East, Hillsborough County, Florida, and being more particularly described as follows:

From the Northwest corner of said Section 23, run thence along North boundary of said Section 23, S.89°31'25"E., 645.59 feet to a point on a curve, said point also being the POINT OF BEGINNING; thence Northerly, 73.21 feet along the arc of a curve to the right having a radius of 1260.00 feet and a central angle of 03°19'45" (chord bearing N.18°01'58"E., 73.20 feet) to a point of tangency; thence N.19°41'50"E., 1324.46 feet to a point of curvature; thence Northerly, 1227.57 feet along the arc of a curve to the left having a radius of 1140.00 feet and a central angle of 81°41'50" (chord bearing N.17°09'05"W., 1169.12 feet) to a point of tangency; thence N.42°00'00"W., 1017.32 feet to a point of curvature; thence Northerly, 344.47 feet along the arc of a curve to the left having a radius of 440.00 feet and a central angle of 11°00'00" (chord bearing N.47°30'00"W., 84.34 feet) to a point of tangency; thence N.53°00'00"W., 106.43 feet to a point of curvature; thence Westerly, 74.38 feet along the arc of a curve to the left having a radius of 50.00 feet and a central angle of 85°14'16" (chord bearing S.84°22'52"W., 67.21 feet) to a point of cusp; thence Northerly, 211.94 feet along the arc of a curve to the left having a radius of 1275.00 feet and a central angle of 09°12'27" (chord bearing N.37°00'00"E., 211.70 feet) to a point of cusp; thence Southerly, 74.38 feet along the arc of a curve to the left having a radius of 50.00 feet and a central angle of 85°14'16" (chord bearing S.10°22'52"E., 67.71 feet) to a point of tangency; thence S.53°00'00"E., 106.43 feet to a point of curvature; thence Southeast, 107.51 feet along the arc of a curve to the right having a radius of 560.00 feet and a central angle of 11°00'00" (chord bearing S.47°30'00"E., 107.35 feet) to a point of tangency; thence S.42°00'00"E., 1017.32 feet to a point of curvature; thence Southerly, 1356.79 feet along the arc of a curve to the right having a radius of 1260.00 feet and a central angle of 61°41'50" (chord bearing S.17°09'05"E., 1292.16 feet) to a point of tangency; thence S.19°41'50"W., 1324.46 feet to a point of curvature; thence Southerly, 274.15 feet along the arc of a curve to the left having a radius of 1140.00 feet and a central angle of 13°46'44" (chord bearing S.12°48'28"W., 273.49 feet) to a point of tangency on the West boundary of TAMPA PALMS AREA UNIT 1 & AREA 8 UNIT 1, according to the plat thereof as recorded in Plat Book 69, Page 52, Public Records of Hillsborough County, Florida; thence along said West boundary the following five (5) courses: 1) S.05°55'06"W., 16.00 feet to a point of curvature; 2) Southerly, 501.82 feet along the arc of a curve to the left having a radius of 1140.00 feet and a central angle of 25°13'16" (chord bearing S.06°41'32"E., 497.78 feet) to a point of tangency; 3) S.19°18'10"E., 106.46 feet to a point of curvature; 4) Southerly, 171.68 feet along the arc of a curve to the right having a radius of 1260.00 feet and a central angle of 07°48'24" (chord bearing S.15°23'58"E., 171.55 feet); 5) S.78°30'14"W., 120.00 feet to a point on a curve; thence Northerly, 155.33 feet along the arc of said curve to the left having a radius of 1140.00 feet and a central angle of 07°48'24" (chord bearing N.15°23'58"W., 155.21 feet) to a point of tangency; thence N.19°18'10"W., 106.46 feet to a point of curvature; thence Northerly, 554.84 feet along the arc of a curve to the right having a radius of 1260.00 feet and a central angle of 25°13'16" (chord bearing N.06°41'32"W., 550.17 feet) to a point of tangency; thence N.05°55'06"E., 16.00 feet to a point of curvature; thence Northerly, 229.80 feet along the arc of a curve to the right having a radius of 1260.00 feet and a central angle of 10°26'59" (chord bearing N.11°08'36"E., 229.48 feet) to the POINT OF BEGINNING.

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

SCHOOL BOARD OF HILLSBOROUGH
COUNTY, FLORIDA

ATTEST:

Its: _____

By: _____

Its: _____

(SEAL)

HILLSBOROUGH SCHOOL BOARD LEASING
CORPORATION

ATTEST:

Title: _____

By: _____

Title: _____

(SEAL)

SIMULTANEOUS ASSIGNMENT

All of the rights of Hillsborough School Board Leasing Corporation hereunder are hereby assigned without recourse or warranty to _____ as Trustee, as successor in interest to and assignee of Hillsborough School Board Leasing Corporation under the Assignment.

HILLSBOROUGH SCHOOL BOARD LEASING
CORPORATION

By: _____

Title: _____

Dated: _____

C-2

STATE OF FLORIDA)
) SS:
COUNTY OF _____)

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

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

(SEAL)

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

C-3

[THIS PAGE INTENTIONALLY LEFT BLANK]

STATE OF FLORIDA)
) SS:
COUNTY OF _____)

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

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

(SEAL)

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

C-4

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This document prepared by:

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

**FIRST AMENDMENT TO
GROUND LEASE AGREEMENT**

by and between

**THE SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA
as Lessor**

and

**HILLSBOROUGH SCHOOL BOARD LEASING CORPORATION,
as Lessee**

Dated as of April 1, 2010

**FIRST AMENDMENT TO
GROUND LEASE AGREEMENT**

This First Amendment to Ground Lease Agreement ("First Amendment") is made and entered into as of April 1, 2010 by **THE SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA** (the "Board") acting as the governing body of the School District of Hillsborough County, Florida (the "District") and **HILLSBOROUGH SCHOOL BOARD LEASING CORPORATION**, a single-purpose, not-for-profit corporation organized and existing under the laws of the State of Florida, having an office in Tampa, Florida (the "Corporation"). All capitalized terms used herein and not otherwise defined shall have the meaning set forth therefor in the "Ground Lease" as hereinafter set forth.

WITNESSETH:

WHEREAS, the Board and the Corporation entered into a certain Ground Lease Agreement, dated as of October 1, 1999, as heretofore amended and supplemented (the "Ground Lease") a memorandum of which was recorded in Official Records Book 09977 at Page 0569 of the Public Records of Hillsborough County, Florida; and

WHEREAS, notwithstanding any terms of the Ground Lease to the contrary, the Ground Lease is and shall continue to remain in full force and effect in accordance with the terms hereof; and

WHEREAS, in connection with the issuance of certain Refunding Certificates of Participation it is necessary to amend the Ground Lease as provided herein.

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

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

2. Section 2 of the Ground Lease is hereby amended and restated in its entirety to read as follows:

"The initial term of this Ground Lease (the "Initial Ground Lease Term") shall be for the period commencing on the Commencement Date, and ending on the earlier of (a) the date on which the Series 2010A Certificates, the Outstanding Series 2001A Certificates and any Refunding Certificates related thereto have been paid or provision for payment of all of such Certificates has been made

5. Section 14 of the Ground Lease is hereby amended and restated in its entirety to read as follows:

"Upon the occurrence of any event of default as set forth in Section 13 hereof which has not been cured (and is not in the process of being cured) under Section 13(b) or 13(c) hereof, but not otherwise, the Board may take whatever action at law or in equity may appear necessary or desirable to enforce its rights hereunder; provided, the Board shall not have the right to terminate this Ground Lease until such time as the Series 2010A Certificates, the Outstanding Series 2001A Certificates and any Refunding Certificates related thereto have been paid or provision for payment has been made pursuant to the terms and provisions of the Trust Agreement. The Board shall have recourse solely against the leasehold estate of the Corporation or its assignee in the Premises, and any proceeds thereof, for the payment of any liabilities of the Corporation or its assignee hereunder."

6. Section 18(b) of the Ground Lease is hereby amended and restated in its entirety to read as follows:

"(b) If the Lease Agreement shall have been terminated, (i) if such Person acquires title to such substantial portion thereof that the Corporation determines that it cannot economically make use of the residue for the lawful purposes intended by this Ground Lease, such acquisition of title shall terminate this Ground Lease, effective as of the date on which the condemning party takes possession thereof, and the Net Proceeds resulting therefrom shall be applied first to payment of the amount secured by any Leasehold Mortgage then outstanding hereunder, second, to payment of any outstanding Series 2010A Certificates, Outstanding Series 2001A Certificate and any Refunding Certificates related thereto, on a pro rata basis, and, third, the balance, if any shall be paid to the Board and the Corporation, as their respective interests may appear; and (ii) if such Person acquires title to a portion of the Premises only, and the Corporation determines that it can economically make beneficial use of the residue thereof for the lawful purposes intended by this Ground Lease, then this Ground Lease shall continue in full force and effect and the Net Proceeds resulting therefrom shall be paid to the Board and the Corporation, as their respective interests appear."

pursuant to Section 12.01 of the Trust Agreement and any Supplemental Rent arising under the Lease Agreement shall have been paid or provided for, or (b) June 30, 2030 (both dates inclusive). As used herein, the expressions "term hereof," "Ground Lease Term" or any similar expression refer to the Initial Ground Lease Term and to any renewals of the Initial Ground Lease Term exercised by the Corporation or its assignee as provided in Section 22 hereof."

3. Section 3(a)(iii) of the Ground Lease is hereby amended and restated in its entirety to read as follows:

"(iii) title to the Premises shall be in the Board upon commencement of the Ground Lease Term and title to all components of the Series 1999 Project, other than Designated Equipment, shall be in name of Corporation pursuant to the Lease Agreement, and title to the Buildings comprising a portion of the Series 1999 Project constructed on the Premises shall remain severed from title to the Premises until the earlier of (A) the date on which the Series 2010A Certificates, the Outstanding Series 2001A Certificates and any Refunding Certificates related thereto issued under the Trust Agreement shall no longer be Outstanding, and (B) the end of the Ground Lease Term."

4. Section 9(b) of the Ground Lease is hereby amended and restated in its entirety to read as follows:

"(b) Except as expressly provided in this Section 9(b), the Corporation or its assignee shall not assign this Ground Lease, or any portion hereof, or sublease all or any portion of the Premises at any time. Except as expressly permitted in this Section 9(b), any purported assignment, partial assignment or sublease without the Board's prior written consent in violation of this Section 9(b) shall be null and void. So long as the Lease Agreement has not been terminated, (i) the Corporation may assign this Ground Lease to the Trustee for the benefit of the Owners of the Series 2010A Certificates, the Outstanding Series 2001A Certificates and any Refunding Certificates related thereto, and (ii) the Corporation shall sublet all of the Premises to the Board (the "Initial Sublessee") under the Lease Agreement. If the Lease Agreement shall have been terminated, the Corporation or its assignee may sublet the Premises or assign its interest in this Ground Lease (a "Permitted Sublease") to any Person for any lawful purpose without the prior consent of the Board; provided, however, that no Permitted Sublease shall relieve the Corporation of any of its duties or obligations hereunder without the prior written consent of the Board; provided, however, that each Permitted Sublease shall be subject to the provisions of Section 9(d) hereof. "Permitted Transferee" shall mean a sublessee or assignee permitted by this Section 9(b)."

2

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

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

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

ATTEST:

By: _____
Superintendent/Secretary

By: _____
Chairperson

(SEAL)

**HILLSBOROUGH SCHOOL BOARD
LEASING CORPORATION**

ATTEST:

By: _____
Secretary

By: _____
President

(SEAL)

STATE OF FLORIDA)
) SS:
COUNTY OF HILLSBOROUGH)

The foregoing instrument was acknowledged before me this ____ day of _____, 2010, by Susan L. Valdes and MaryEllen Elia, the Chairman and Superintendent, respectively, of The School Board of Hillsborough County, Florida. Such person(s) did not take an oath and:

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

(SEAL)

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

STATE OF FLORIDA)
) SS:
COUNTY OF HILLSBOROUGH)

The foregoing instrument was acknowledged before me this ____ day of _____, 2010, by Susan L. Valdes and MaryEllen Elia, the President and Secretary, respectively, of the Hillsborough School Board Leasing Corporation. Such person(s) did not take an oath and:

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

(SEAL)

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

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100

INSTR # 1999393570

OR BK 09977 PG 0562

RECORDED 12/23/1999 10:17 AM

RICHARD AKE CLERK OF COURT

HILLSBOROUGH COUNTY

DEPUTY CLERK D Ruprecht

This document prepared by: ✓

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

ASSIGNMENT OF GROUND LEASE

by the

HILLSBOROUGH SCHOOL BOARD LEASING CORPORATION

ASSIGNMENT OF GROUND LEASE

KNOW ALL MEN BY THESE PRESENTS, that the HILLSBOROUGH SCHOOL BOARD LEASING CORPORATION, a Florida single-purpose, not-for-profit corporation (the "Corporation"), for and in consideration of good and valuable considerations to it in hand paid by THE BANK OF NEW YORK (successor to NationsBank of Florida, N.A.), not in its individual capacity, but solely as trustee (the "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 following:

(a) The instrument of ground lease and the leasehold estate created by said instrument of ground lease, being that certain Ground Lease Agreement, dated as of October 1, 1999, as the same may be supplemented, modified or amended from time to time, a Memorandum of Ground Lease Agreement describing which has been duly recorded in the public records of Hillsborough County, Florida, granted by the School Board of Hillsborough County, Florida, (the "Board"), acting as the governing body of the School District of Hillsborough County, Florida to the Corporation in and to the Premises described therein; and

TO HAVE AND TO HOLD THE said instrument of ground lease, 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 "Lease Agreement" (as defined in the Ground Lease), (iv) that as of the date hereof there is no default under the terms of said Ground Lease, and (v) from and after this Assignment, the Corporation will have no further interest in such Ground Lease or the leasehold estate thereby created.

IN WITNESS WHEREOF, Hillsborough School Board Leasing Corporation, by its officer thereunto duly authorized, has affixed its corporate name and seal as of the 1st day of October, 1999.

HILLSBOROUGH SCHOOL BOARD LEASING CORPORATION

By: Ann S. Olson
Name: Ann S. Olson
Title: President
Address: 901 East Kennedy Boulevard
Tampa, Florida 33602

ATTEST:

Earl J. Lennard
Name: Dr. Earl J. Lennard
Title: Secretary
Address: 901 East Kennedy Boulevard
Tampa, Florida 33602

2

STATE OF FLORIDA)
COUNTY OF HILLSBOROUGH) SS:

The foregoing instrument was acknowledged before me this 25th day of October, 1999, by Ann S. Olson and Dr. Earl J. Lennard, the President and Secretary, respectively, of the HILLSBOROUGH SCHOOL BOARD LEASING CORPORATION. Such person(s) did not take an oath and:

- ☒ is/are personally known to me.
☐ produced a current Florida driver's license as identification.
☐ produced _____ as identification.



Name: John R. Stokes
Notary Public, State of Florida
My Commission Expires:

EXHIBIT A

The Premises subject to the Ground Lease Agreement are the real property (together with all buildings, structures and improvements now or hereafter erected or situated thereon, including, without limitation, the "Projects" (as defined in the Ground Lease Agreement), all fixtures, additions, alterations or replacements thereto, now or hereafter located in, or used in connection with or attached or made to such land, to the extent title thereto may rest in the Board, 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) described as follows:

Policy No. A02-173226

LEGAL DESCRIPTION

315695

LENNAR SCHOOL SITE

DESCRIPTION: A parcel of land lying in Section 14 and Section 15, Township 27 South, Range 19 East, Hillsborough County, Florida, said parcel more particularly described as follows:

From the Southwest corner of said Section 14, run thence N.00°46'42"W., 443.45 feet along the West boundary of said Section 14 to the POINT OF BEGINNING; thence N.82°41'10"W., 160.93 feet; thence N.69°05'21"W., 938.07 feet; thence N.32°01'32"W., 1676.66 feet; thence N.25°53'53"W., 56.35 feet; thence N.16°54'59"E., 12.08 feet to a point on a curve; thence Northeastly, 137.22 feet along the arc of a curve to the right having a radius of 1625.00 feet and a central angle of 04°50'17" (chord bearing N.54°34'51"E., 137.18 feet) to a point of tangency; thence N.57°00'00"E., 1955.12 feet to a point of curvature; thence Northeastly, 339.09 feet along the arc of a curve to the left having a radius of 1275.00 feet and a central angle of 13°14'16" (chord bearing N.49°22'52"E., 338.09 feet) to a point of reverse curvature; thence Northeastly, 74.36 feet along the arc of a curve to the right having a radius of 50.00 feet and a central angle of 85°14'15" (chord bearing N.84°22'52"E., 67.71 feet) to a point of tangency; thence S.53°00'00"E., 106.43 feet to a point of curvature; thence Southeastly, 84.47 feet along the arc of a curve to the right having a radius of 440.00 feet and a central angle of 11°00'00" (chord bearing S.47°30'00"E., 84.34 feet) to a point of tangency; thence S.42°00'00"E., 1017.32 feet to a point of curvature; thence Southeastly, 786.97 feet along the arc of a curve to the right having a radius of 1140.00 feet and a central angle of 39°33'09" (chord bearing S.22°13'25"E., 771.43 feet); thence S.61°10'45"W., 450.00 feet; thence S.38°26'00"E., 450.00 feet; thence S.19°41'50"W., 836.62 feet; thence N.70°18'10"W., 72.73 feet; thence N.69°01'25"W., 60.53 feet; thence N.59°49'58"W., 26.28 feet; thence N.60°14'22"W., 28.13 feet; thence S.74°01'17"W., 51.51 feet; thence S.35°27'06"W., 74.53 feet; thence S.86°26'49"W., 48.27 feet; thence N.82°41'10"W., 480.54 feet to the POINT OF BEGINNING.

Together with the following two non-exclusive easements:

LEGAL DESCRIPTION

315695

Easement Parcel 1

Temporary Access Easement as created by instrument recorded October 29, 1999 in Official Records Book 9898, page 1251, described as follows:

FRONTAGE ROAD EASEMENT (Secondary Access Easement)
TAMPA TECH WEST

DESCRIPTION: A parcel of land lying in Section 14, Township 27 South, Range 19 East, Hillsborough County, Florida, and being more particularly described as follows:

From the Southwest corner of said Section 14, run thence along the South boundary of said Section 14, S 89°31'25"E, 2659.33 feet to a point on the Westerly right-of-way line of N.W. Frontage Road, "C", of Interstate Highway No. 75 as recorded in Official Record Book 3807, Page 139 and Official Record Book 3614, Page 335; thence along said Westerly right-of-way line the following three (3) courses: 1) N 13°04'48"W, 23.97 feet to a point on a curve; thence Northerly, 197.21 feet along the arc of a curve to the left having a radius of 2824.79 feet and a central angle of 04°08'00" (chord bearing N 15°04'47"W, 197.17 feet) to a point of tangency; thence N 17°04'47"W, 1604.95 feet to the POINT OF BEGINNING; thence N 81°49'46"W, 221.54 feet to a point of curvature; thence Westerly, 98.87 feet along the arc of a curve to the right having a radius of 675.00 feet and a central angle of 08°23'32" (chord bearing N 77°38'00"W, 98.28 feet) to a point of tangency; thence N 73°26'14"W, 143.48 feet to a point of curvature; thence Northwesterly, 80.14 feet along the arc of a curve to the right having a radius of 975.00 feet and a central angle of 18°41'49" (chord bearing N 65°05'20"W, 79.86 feet) to a point of tangency; thence N 56°44'25"W, 227.17 feet to a point of curvature; thence Westerly, 158.67 feet along the arc of a curve to the left having a radius of 275.00 feet and a central angle of 33°03'31" (chord bearing N 73°46'11"W, 156.48 feet) to a point of tangency; thence N 89°47'56"W, 7.45 feet to a point on a curve; thence Northerly, 24.94 feet along the arc of a curve to the left having a radius of 1260.00 feet and a central angle of 01°08'04" (chord bearing N 15°37'00"W, 24.94 feet); thence S 89°47'56"E, 14.26 feet to a point on a curve; thence Easterly, 172.52 feet along the arc of a curve to the right having a radius of 299.00 feet and a central angle of 33°03'31" (chord bearing S 73°16'11"E, 170.13 feet) to a point of tangency; thence S 58°44'23"E, 227.17 feet to a point of curvature; thence Southeastery, 73.15 feet along the arc of a curve to the left having a radius of 251.00 feet and a central angle of 18°41'49" (chord bearing S 65°05'20"E, 72.89 feet) to a point of tangency; thence S 73°26'14"E, 143.48 feet to a point of curvature; thence Easterly, 95.35 feet along the arc of a curve to the left having a radius of 851.00 feet and a central angle of 08°23'32" (chord bearing S 77°38'00"E, 95.27 feet) to a point of tangency; thence S 81°49'46"E, 210.22 feet to a point on said Westerly right-of-way line of N.W. Frontage Road "C"; thence along said Westerly right-of-way line, S 17°04'47"E, 26.54 feet to the POINT OF BEGINNING.

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LEGAL DESCRIPTION

315695

Easement Parcel 2

Temporary Access and Utility Easement as created by instrument recorded October 29, 1999 in Official Records Book 9898, page 1244, described as follows:

COMMERCE PARK BOULEVARD EASEMENT
TAMPA TECH WEST

DESCRIPTION: A parcel of land lying in Sections 14 and 23, Township 27 South, Range 19 East, Hillsborough County, Florida, and being more particularly described as follows:

From the Northwest corner of said Section 23, run thence along North boundary of said Section 23, S 89°31'25"E, 645.59 feet to a point on a curve, said point also being the POINT OF BEGINNING; thence Northerly, 73.21 feet along the arc of a curve to the right having a radius of 1260.00 feet and a central angle of 03°19'48" (chord bearing N 18°01'58"E, 73.20 feet) to a point of tangency; thence N 19°41'50"E, 1324.49 feet to a point of curvature; thence Northerly, 1227.57 feet along the arc of a curve to the left having a radius of 1140.00 feet and a central angle of 81°41'50" (chord bearing N 11°09'05"W, 1159.12 feet) to a point of tangency; thence N 42°00'00"W, 1017.32 feet to a point of curvature; thence Northwesterly, 84.47 feet along the arc of a curve to the left having a radius of 440.00 feet and a central angle of 11°00'00" (chord bearing N 47°30'00"W, 84.34 feet) to a point of tangency; thence N 53°00'00"W, 106.43 feet to a point of curvature; thence Westerly, 74.38 feet along the arc of a curve to the left having a radius of 50.00 feet and a central angle of 85°14'16" (chord bearing S 84°22'52"W, 67.21 feet) to a point of cusp; thence Northerly, 211.94 feet along the arc of a curve to the left having a radius of 1275.00 feet and a central angle of 03°19'48" (chord bearing N 57°00'00"E, 211.70 feet) to a point of cusp; thence Southerly, 74.38 feet along the arc of a curve to the left having a radius of 50.00 feet and a central angle of 85°14'16" (chord bearing S 10°22'52"E, 67.71 feet) to a point of tangency; thence S 53°00'00"E, 106.43 feet to a point of curvature; thence Southeastery, 107.51 feet along the arc of a curve to the right having a radius of 560.00 feet and a central angle of 11°00'00" (chord bearing S 47°30'00"E, 107.35 feet) to a point of tangency; thence S 42°00'00"E, 1017.32 feet to a point of curvature; thence Southerly, 1356.79 feet along the arc of a curve to the right having a radius of 1260.00 feet and a central angle of 81°41'50" (chord bearing S 11°09'05"E, 1292.18 feet) to a point of tangency; thence S 19°41'50"W, 1324.49 feet to a point of curvature; thence Southerly, 274.19 feet along the arc of a curve to the left having a radius of 1140.00 feet and a central angle of 13°46'44" (chord bearing S 12°45'28"W, 273.49 feet) to a point of tangency on the West boundary of TAMPA PALMS AREA UNIT 1 & AREA 5 UNIT 1, according to the plat thereof as recorded in Plat Book 69, Page 52, Public Records of Hillsborough County, Florida; thence along said West boundary the following five (5) courses: 1) S 05°55'05"W, 16.00 feet to a point of curvature; 2) Southerly, 501.82 feet along the arc of a curve to the left having a radius of 1140.00 feet and a central angle of 25°13'16" (chord bearing S 06°41'32"E, 457.78 feet) to a point of tangency; 3) S 19°41'50"E, 106.46 feet to a point of curvature; 4) Southerly, 171.88 feet along the arc of a curve to the right having a radius of 1260.00 feet and a central angle of 07°48'24" (chord bearing S 15°23'58"E, 171.55 feet); 5) S 78°30'14"W, 120.00 feet to a point on a curve; thence Northerly, 155.33 feet along the arc of said curve to the left having a radius of 1140.00 feet and a central angle of 07°48'24" (chord bearing N 15°23'58"W, 155.21 feet) to a point of tangency; thence N 19°41'50"W, 106.46 feet to a point of curvature; thence Northerly, 554.54 feet along the arc of a curve to the right having a radius of 1260.00 feet and a central angle of 25°13'16" (chord bearing N 06°41'32"W, 550.17 feet) to a point of tangency; thence N 05°55'05"E, 16.00 feet to a point of curvature; thence Northerly, 229.80 feet along the arc of a curve to the right having a radius of 1260.00 feet and a central angle of 10°28'59" (chord bearing N 11°09'05"E, 229.48 feet) to the POINT OF BEGINNING.

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APPENDIX H

FORM OF TAX OPINION OF SPECIAL COUNSEL

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APPENDIX H

FORM OF OPINION OF NABORS, GIBLIN & NICKERSON, P.A., WITH RESPECT TO THE CERTIFICATES

Upon delivery of the Certificates in definitive form, Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Special Counsel, proposes to render its opinion with respect to such Certificates in substantially the following form:

(Closing Date)

The School Board of Hillsborough County, Florida
Tampa, Florida

School Board Members:

We have acted as Special Counsel in connection with the execution and delivery of \$97,545,000 aggregate principal amount of Refunding Certificates of Participation (School Board of Hillsborough County, Florida Master Lease Program), Series 2010A Evidencing an Undivided Proportionate Interest of the Owners thereof in Basic Rent Payments to be made under a Master Lease-Purchase Agreement by The School Board of Hillsborough County, Florida (the "Certificates") in connection with the Series 1999 Lease described below.

In that capacity, we have examined various documents including (i) the Master Lease-Purchase Agreement, dated as of April 1, 1994, as amended and supplemented (the "Lease Agreement"), between the Hillsborough School Board Leasing Corporation, a single purpose Florida not-for-profit educational corporation, as lessor (the "Corporation") and The School Board of Hillsborough County, Florida, as lessee (the "Board"); (ii) Second Amended and Restated Lease Schedule No. 1999, dated as of April 1, 2010 ("Lease Schedule No. 1999" and together with the Lease Agreement, the "Series 1999 Lease"), between the Corporation and the Board; (iii) the Master Trust Agreement, dated as of April 1, 1994, as amended and supplemented (the "Trust Agreement"), by and among The Bank of New York Mellon Trust Company, N.A. (successor to NationsBank of Florida, N.A.), as successor trustee (the "Trustee"), the

Board and the Corporation; (iv) the Series 2010A Supplemental Trust Agreement, dated as of April 1, 2010 (the "Series 2010A Supplemental Trust Agreement"), by and among the Trustee, the Board and the Corporation; (v) the Assignment of Lease Agreement, dated as of April 1, 1994, as amended and supplemented, in particular by the Twenty-Second Amendment to Assignment of Lease Agreement, dated as of April 1, 2010, (collectively the "Lease Assignment"), each between the Corporation and the Trustee, pursuant to which the Corporation has assigned by outright and absolute assignment its rights, title and interest in the Series 1999 Lease (other than to its rights of indemnification, its right to enter into lease schedules from time to time and certain obligations provided in Section 6.03 of the Lease Agreement) to the Trustee, and (vi) the Ground Lease Agreement, dated as of October 1, 1999, as amended and supplemented, particularly as amended by the First Amendment to Ground Lease Agreement, dated as of April 1, 2010 (collectively, the "Ground Lease Agreement"), between the Board, as lessor and the Corporation, as lessee, pursuant to which the Board granted to the Corporation a leasehold interest in certain real property owned by the Board. We have also examined a record of proceedings of the Board relating to the Series 1999 Lease, the Trust Agreement, the Series 2010A Supplemental Trust Agreement, the Lease Assignment and the Ground Lease Agreement.

The proceeds of the Certificates will be used for the principal purpose of refunding, on a current basis, the Refunding Certificates of Participation (School Board of Hillsborough County Master Lease Program), Series 2001A Evidencing an Undivided Proportionate Interest of the Owners thereof in Basic Rent Payments to be made under a Master Lease-Purchase Agreement by The School Board of Hillsborough County, Florida maturing on July 1 in the years 2011 through 2021, inclusive, and 2025 (the "Refunded Certificates").

Certain proceeds of the Certificates, together with certain other legally available funds of the Board, will be deposited into an escrow deposit trust fund (the "Escrow Fund") established pursuant to the Escrow Deposit Agreement, dated as of April 15, 2010 (the "Escrow Agreement") between The Bank of New York Mellon Trust Company, N.A., as Escrow Agent, and the Board, and invested in direct obligations of the United States of America (the "Escrow Securities"), such that the principal of and interest on such obligations shall be sufficient to pay the principal of, prepayment premium, if any, and interest on the Refunded Certificates, as the same became due or are prepaid prior to maturity.

Pursuant to the Series 1999 Lease, the Corporation is leasing certain educational and related facilities to the Board and the Board is making lease payments to the Trustee, as assignee of the Corporation pursuant to the Lease Assignment, which include Basic Rent Payments (as defined in the Trust Agreement). The Certificates evidence an undivided proportionate interest in a portion of the Basic Rent Payments under the Series 1999 Lease. The Basic Rent Payments are payable solely from the Board's Available

Revenues (as defined in the Trust Agreement) appropriated for such purpose. The Board is not legally required to budget and appropriate Available Revenues for this purpose. Basic Rent Payments are subject to annual appropriation by the Board. Neither the Board, the State of Florida, nor any political subdivision or agency thereof shall be obligated to pay any sums due under the Lease Agreement from any source other than Available Revenues, and the faith and credit of the Board are not pledged for payment of such sums due thereunder and such sums do not constitute debt of the Board within the meaning of any constitutional or statutory provision or limitation.

The Board has previously, and may, from time to time in the future, lease other Projects (as defined in the Trust Agreement) from the Corporation pursuant to the Lease Agreement. The acquisition, construction and installation of each such Project is financed by the issuance of a series of certificates of participation pursuant to the Trust Agreement. The Board has agreed in the Lease Agreement to budget and appropriate in each fiscal year from Available Revenues sufficient moneys to make the Lease Payments (as defined in the Trust Agreement) for all Projects, including the Series 1999 Project, leased under the Lease Agreement or for none of them.

The Certificates are dated and shall bear interest from their date of delivery, except as otherwise provided in the Trust Agreement. The Certificates will mature on the dates and in the principal amounts, and will bear interest at the respective rates per annum, as provided in the Trust Agreement. Interest shall be payable on each January 1 and July 1, commencing July 1, 2010. The Certificates are subject to prepayment prior to maturity in accordance with the terms of the Series 2010A Supplemental Trust Agreement.

As to questions of fact material to our opinion, we have relied upon the representations of the Board contained in the Series 1999 Lease and in the certified proceedings and other certifications of officials furnished to us without undertaking to verify the same by independent investigation. We have not undertaken an independent audit, examination, investigation or inspection of such matters and have relied solely on the facts, estimates and circumstances described in such proceedings and certifications. We have assumed the genuineness of signatures on all documents and instruments, the authenticity of documents submitted as originals and the conformity to originals of documents submitted as copies.

Based upon the foregoing, we are of the opinion that:

1. The Series 1999 Lease, the Ground Lease Agreement, the Trust Agreement and the Series 2010A Supplemental Trust Agreement have each been duly authorized, executed and delivered by the Board and each constitutes a valid and legally binding obligation of the Board, enforceable in accordance with its respective terms.
2. The Certificates, upon proper execution and authentication, shall evidence an undivided proportionate interest in a portion of the Basic Rent Payments made by the

Board under the Series 1999 Lease, and shall be entitled to the benefits and security of the Trust Agreement.

3. Under existing statutes, regulations, rulings and court decisions, prior to the termination of the Series 1999 Lease resulting from an Event of Non-Appropriation or Event of Default thereunder, the Interest Component (as defined in the Trust Agreement) of the Basic Rent Payments received by the owners of the Series 2010A Certificates is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, it should be noted that with respect to certain corporations, such Interest Component is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations. The opinions set forth above are subject to the condition that all requirements of the Internal Revenue Code of 1986, as amended, must be satisfied subsequent to the issuance of the Certificates in order that the Interest Component be (or continues to be) excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause the Interest Component to be so included in gross income retroactive to the date of issuance of the Certificates. The Board and the Corporation have covenanted in the Series 1999 Lease to comply with all such requirements. Ownership of the Series 2010A Certificates may result in collateral federal tax consequences to certain taxpayers. We express no opinion regarding such federal tax consequences arising with respect to the Series 2010A Certificates.

We express no opinion regarding the federal income tax or Florida tax consequences resulting from the ownership of the Series 2010A Certificates or the receipt by the owners thereof of payments on the Series 2010A Certificates following the termination of the Lease Agreement resulting from an Event of Non-Appropriation or Event of Default thereunder.

In rendering the opinions set forth above, we are relying upon (a) the arithmetical accuracy of certain computations included in schedules provided by Wells Fargo Bank, National Association (successor to Wachovia Bank, National Association) relating to the computations of projected receipts of the Escrow Securities and any other amounts deposited in the Escrow Fund, of the adequacy of such projected receipts and other sums to pay the principal of, prepayment premium, if any, and interest on the Refunded Certificates, and of the yield on the Series 2010A Certificates and on the Escrow Securities and (b) the verifications of the arithmetical accuracy of such computations by Causey Demgen & Moore Inc., a firm of independent certified public accountants.

The opinions expressed in paragraphs 1 and 2 hereof are qualified to the extent that (i) the enforceability of the Series 1999 Lease, the Trust Agreement, the Ground Lease Agreement, and the Series 2010A Supplemental Trust Agreement, and the rights of the owners of the Certificates may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally, or

by the exercise of judicial discretion in accordance with general principles of equity, and (ii) we have assumed the due authorization, execution and delivery of the Trust Agreement and the Series 2010A Supplemental Trust Agreement by the Corporation and the Trustee and of the Series 1999 Lease and the Ground Lease Agreement by the Corporation.

It should be noted that (a) except as may expressly be set forth in an opinion delivered by us to the underwriters of the Certificates on the date hereof (upon which only they may rely), we have not been engaged or undertaken to review the accuracy, sufficiency or completeness of the Offering Statement or other offering material relating to the Certificates and we express no opinion relating thereto, and (b) we have not been engaged or undertaken to review the compliance with any federal or state law with regard to the sale or distribution of the Certificates and we express no opinion relating thereto.

This opinion is given as of the date hereof and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

We have examined the form of the Certificates and, in our opinion, the form of the Certificates is regular and proper.

Respectfully submitted,

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APPENDIX I

FORM OF CONTINUING DISCLOSURE CERTIFICATE

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CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the School Board of Hillsborough County, Florida (the "School Board") in connection with the issuance of its \$_____ Refunding Certificates of Participation (School Board of Hillsborough County, Florida Master Lease Program), Series 2010A Evidencing an Undivided Proportionate Interest of Owners thereof in Basic Rent Payments to be made under a Master Lease-Purchase Agreement by The School Board of Hillsborough County, Florida (the "Certificates"). The Certificates are being issued pursuant to the Master Trust Agreement, dated as of April 1, 1994, as amended and supplemented, among the School Board, The Bank of New York Trust Company, N.A., as trustee, and the Hillsborough School Board Leasing Corporation (the "Trust Agreement"). The School Board covenants and agrees as follows:

SECTION 1. PURPOSE OF DISCLOSURE CERTIFICATE. This Disclosure Certificate is being executed and delivered for the benefit of the Certificateholders and in order to assist the original underwriters of the Certificates in complying with Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission ("SEC") pursuant to the Securities Exchange Act of 1934, as amended (the "Rule").

SECTION 2. PROVISION OF ANNUAL INFORMATION. The School Board shall provide to all of the nationally recognized municipal securities information repositories described in Section 4 hereof (the "Repositories"), within 30 days of its receipt of its audited financial statements and not later than each March 31st following the end of the School Board's fiscal year, the following information:

(A) audited financial statements of the School Board for the most recent Fiscal Year for which audited financial statements have been completed, prepared in accordance with Generally Accepted Accounting Principles, as modified by applicable State of Florida requirements and the governmental accounting standards promulgated by the Government Accounting Standards Board;

(B) additional financial information and operating data of the type included with respect to the School Board in the final offering statement prepared in connection with the sale and issuance of the Certificates (as amended, the "Offering Statement"), including, but not limited to:

1. Updates of information set forth in the Offering Statement relating to:
 - a. Number of schools, number of classroom instructors, number of full-time equivalent students and average expenditures per student.
 - b. Debt statement of the School Board.
 - c. Summary of general fund's revenue and expenses.

- d. Comparative ratios of bonded debt.
- e. Anticipated capital outlay millage required to cover debt service.
- f. Tax levies and taxes collected.
- g. School Board millage rates.
- h. Total assessed values and taxable values.

2. Description of any additional series of Certificates which are issued under the Trust Agreement.

3. Description of any material litigation which would have been disclosed in the Offering Statement if such litigation had occurred and been ongoing at the time the Offering Statement is dated.

4. Any other financial information or operating data of the type included in the Offering Statement which the School Board determines would be material to a holder or prospective holders of the Certificates.

For purposes of this Disclosure Certificate, "Fiscal Year" means the period commencing on July 1 and ending on June 30 of the next succeeding year, or such other period of time provided by applicable law.

SECTION 3. REPORTING SIGNIFICANT EVENTS. The School Board shall provide to the Repositories or the Municipal Securities Rulemaking Board (the "MSRB"), on a timely basis, notice of any of the following events, if such event is deemed to have a material effect on the Certificates or the School Board's ability to satisfy its payment obligations with respect to the Certificates:

- (A) Principal and interest payment delinquencies;
- (B) Non-payment related defaults under the Trust Agreement or the Lease Agreement (as defined in the Trust Agreement);
- (C) Unscheduled draws on the debt service reserve fund reflecting financial difficulties;
- (D) Unscheduled draws on credit enhancement reflecting financial difficulties;
- (E) Substitution of credit or liquidity providers, or their failure to perform;
- (F) Adverse tax opinions or events affecting the Tax-Exempt status of the Certificates;

- (G) Modifications to rights of Certificateholders;
- (H) Calls on the Certificates;
- (I) Defeasance of the Certificates;
- (J) Release, substitution, or sale of property securing repayment of the Certificates;
- (K) Rating changes;
- (L) Occurrence of an Event of Non-Appropriation (as defined in the Trust Agreement); and
- (M) Notice of any failure on the part of the School Board to meet the requirements of Section 2 hereof.

The School Board may from time to time, in its discretion, choose to provide notice of the occurrence of certain other events, in addition to those listed in this Section 3, if, in the judgment of the School Board, such other events are material with respect to the Certificates, but the School Board does not specifically undertake to commit to provide any such additional notice of the occurrence of any material event except those events listed above.

For purposes of clause (F) above, such "adverse tax opinions or events affecting the Tax-Exempt status of the Certificates" shall include:

- (i) Receipt of an opinion of nationally recognized bond counsel to the effect that the Interest Component of the Basic Rent Payments (as such terms are defined in the Trust Agreement) represented by the Certificates is not Tax-Exempt; or
- (ii) Any audit, investigation or other challenge of the Tax-Exempt status of the Certificates by the Internal Revenue Service or in any administrative or judicial proceeding;
- (iii) The issuance of any regulation, decision or other Offering pronouncement by the Internal Revenue Service or other Offering tax authority or by any court adversely affecting the Tax-Exempt status of the Certificates or obligations of the same type as the Certificates or financing structures of the same type as financed by the Certificates.

For purposes of this Section 3, "Tax-Exempt" means that the Interest Component of the Basic Rent Payments (as such terms are defined in the Trust Agreement) represented by the Certificates is excluded from gross income for federal income tax purposes, whether or not such Interest Component is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating any other tax liability, including any alternative minimum tax or environmental tax.

Whenever the School Board obtains knowledge of the occurrence of a significant event described in this Section 3, the School Board shall as soon as possible determine if such event would constitute material information for holders of Certificates, provided, that any event under clauses (D), (E), (F), (K), (L) or (M) above will always be deemed to be material.

SECTION 4. THE REPOSITORIES. The Repositories to which the School Board shall provide the information described in Sections 2 and 3 above, to the extent required, shall be each entity authorized and approved by the Securities and Exchange Commission from time to time to act as a repository for purposes of complying with the Rule. The Repositories approved by the Securities and Exchange Commission may be found by visiting the Securities and Exchange Commission's website at <http://www.sec.gov/info/municipal/nrmsir.htm>. As of the date hereof, the only Repository recognized by the Securities and Exchange Commission for such purpose is the Municipal Securities Rulemaking Board, which currently accepts continuing disclosure submissions through its Electronic Municipal Market Access ("EMMA") web portal at <http://emma.msrb.org>. The School Board's annual filings shall be formatted and submitted in accordance with the requirements of each Repository.

SECTION 5. NO EVENT OF DEFAULT. Notwithstanding any other provision in the Trust Agreement to the contrary, failure of the School Board to comply with the provisions of this Disclosure Certificate shall not be considered an event of default under the Trust Agreement; provided, however, any Certificateholder may take such actions as may be necessary and appropriate, including pursuing an action for mandamus or specific performance, as applicable, by court order, to cause the School Board to comply with its obligations hereunder. For purposes of this Disclosure Certificate, "Certificateholder" shall mean any person who (A) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of any Certificates (including persons holding Certificates through nominees, depositories or other intermediaries), or (B) is treated as the owner of any Certificate for federal income tax purposes.

SECTION 6. INCORPORATION BY REFERENCE. Any or all of the information required herein to be disclosed may be incorporated by reference from other documents, including Offering statements or debt issues of the School Board or related public entities, which have been submitted to each of the Repositories, the MSRB, or the SEC. If the document incorporated by reference is a final Offering statement, it must be available from the MSRB. The School Board shall clearly identify each document incorporated by reference.

SECTION 7. DISSEMINATION AGENTS. The School Board may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor disseminating agent.

SECTION 8. TERMINATION. The School Board's obligations under this Disclosure Certificate shall terminate upon (A) the defeasance, prior redemption or payment in full of all of the Certificates, (B) the termination of the continuing disclosure requirements of the

Rule by legislative, judicial or administrative action, or, (C) the occurrence of an Event of Non-Appropriation (as defined in the Trust Agreement).

SECTION 9. AMENDMENTS. Notwithstanding any other provision of this Disclosure Certificate, the School Board may amend this Disclosure Certificate, and may waive any provision, if such amendment or waiver is supported by an opinion of counsel familiar in federal securities laws, to the effect that such amendment or waiver 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 Offering interpretation of the Rule.

SECTION 10. ADDITIONAL INFORMATION. Nothing in this Disclosure Certificate shall be deemed to prevent the School Board from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in its annual information described in Section 2 hereof or notice of occurrence of a significant event described in Section 3 hereof, in addition to that which is required by this Disclosure Certificate. If the School Board chooses to include any information in its annual information or notice of occurrence of a significant event in addition to that which is specifically required by this Disclosure Certificate, the School Board shall have no obligation under this Disclosure Certificate to update such information or include it in its future annual information or notice of occurrence of a significant event.

SECTION 11. OBLIGATED PERSONS. If any person, other than the School Board, becomes an Obligated Person (as defined in the Rule) relating to the Certificates, the School Board shall use its best efforts to require such Obligated Person to comply with all provisions of the Rule applicable to such Obligated Person.

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

Dated: April __, 2010

By: _____
Chairman

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