

*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 Series 2020A Trust Agreement and the Series 1999 Lease Agreement (each as defined herein), under existing statutes, regulations, rulings and court decisions, the Interest Component of Basic Rent Payments (a) is excludable from gross income of the holders of the Series 2020A Certificates, except to the extent described under the caption "TAX MATTERS" herein and (b) is not an item of tax preference for purposes of the federal alternative minimum tax. No opinion is expressed with respect to the federal income tax consequences of any payments received with respect to the Series 2020A 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 MATTERS" herein for a discussion of Special Counsel's opinion with respect to the Series 2020A Certificates.*

*In the opinion of Special Counsel, the Interest Component of the Basic Rent Payments represented by the Series 2020B Certificates is not excludable from gross income of the holders thereof for federal income tax purposes. See "TAX MATTERS" herein for a description of Special Counsel's opinion with respect to the Series 2020B Certificates.*

**\$133,230,000****SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA****\$56,700,000****REFUNDING CERTIFICATES  
OF PARTICIPATION****(School Board of Hillsborough County, Florida  
Master Lease Program), Series 2020A****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****\$76,530,000****TAXABLE REFUNDING CERTIFICATES  
OF PARTICIPATION****(School Board of Hillsborough County, Florida  
Master Lease Program), Series 2020B****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 2020A (the "Series 2020A Certificates") evidence an undivided proportionate interest in the Basic Rent Payments (as defined herein) to be made by The School Board of Hillsborough County, Florida (the "Board"), as the governing body of the School District of Hillsborough County, Florida (the "District") under a Master Lease-Purchase Agreement dated as of April 1, 1994, as amended (the "Master Lease"), with the Hillsborough School Board Leasing Corporation, a Florida not-for-profit corporation (the "Corporation"), particularly as amended and supplemented by the Third Amended and Restated Lease Schedule No. 1999, dated as of May 1, 2020 (the "Third Amended and Restated Lease Schedule No. 1999" and, together with the Master Lease, the "Series 1999 Lease Agreement") providing for the financing and refinancing of certain educational facilities within the District and the defeasance to maturity and refunding, on a current basis, as applicable, of all of the outstanding Refunding Certificates of Participation (School Board of Hillsborough County, Florida Master Lease Program), Series 2010A (the "Refunded Series 2010A Certificates"). Pursuant to an Assignment of Lease Agreement, dated as of April 1, 1994, as amended, and particularly as amended by a Thirty-Fourth Amendment to Assignment of Lease Agreement, dated as of May 1, 2020 (collectively, the "Assignment"), the Corporation has assigned by outright assignment to the Trustee for the benefit of the Owners of the Series 2020A Certificates 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 (as defined herein), and its obligation not to impair the tax status of the Series 2020A Certificates, but including the right of the Corporation to receive Lease Payments.

The Taxable Refunding Certificates of Participation (School Board of Hillsborough County, Florida Master Lease Program), Series 2020B (the "Series 2020B Certificates" and, together with the Series 2020A Certificates, the "Series 2020 Certificates") evidence an undivided proportionate interest in the Basic Rent Payments to be made by the Board under the Master Lease, as particularly as amended and supplemented by the Second Amended and Restated Lease Schedule No. 2003B, dated as of May 1, 2020 (the "Second Amended and Restated Lease Schedule No. 2003B" and, together with the Master Lease, the "Series 2003B Lease Agreement") providing for the financing and refinancing of certain educational facilities within the District and the refunding, on an advanced and taxable basis, of all of the outstanding Refunding Certificates of Participation (School Board of Hillsborough County, Florida Master Lease Program), Series 2012A (the "Refunded Series 2012A Certificates" and, together with the Refunded Series 2010A Certificates, the "Refunded Certificates"). Pursuant to the Assignment, the Corporation has assigned by outright assignment to the Trustee for the benefit of the Owners of the Series 2020B Certificates all of its rights, title, and interest in and to the Series 2003B Lease Agreement, except certain rights relating to indemnification and the right to enter into additional Lease Schedules, but including the right of the Corporation to receive Lease Payments.

The Series 2020 Certificates are not subject to optional prepayment prior to their stated maturities. See "THE SERIES 2020 CERTIFICATES – Prepayment of Series 2020 Certificates - No Optional Prepayment" herein. The Series 2020B Certificates are subject to mandatory sinking fund prepayment. See "THE SERIES 2020 CERTIFICATES – Prepayment of Series 2020 Certificates – Mandatory Prepayment" herein. The Series 2020 Certificates are not subject to extraordinary prepayment as set forth herein. See "THE SERIES 2020 CERTIFICATES – Prepayment of Series 2020 Certificates - No Extraordinary Prepayment" 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 (AS DEFINED HEREIN) APPROPRIATED THEREFOR, AND NEITHER THE BOARD, THE DISTRICT, HILLSBOROUGH COUNTY, FLORIDA (THE "COUNTY"), THE STATE OF FLORIDA (THE "STATE"), NOR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF SHALL BE OBLIGATED TO PAY ANY SUMS DUE UNDER THE SERIES 1999 LEASE AGREEMENT AND THE SERIES 2003B 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 SERIES 2003B LEASE AGREEMENT AND THE CONTRACTUAL OBLIGATIONS OF THE BOARD UNDER THE SERIES 1999 LEASE AGREEMENT AND THE SERIES 2003B 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, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. THE ISSUANCE OF THE SERIES 2020 CERTIFICATES WILL NOT DIRECTLY OR INDIRECTLY OBLIGATE THE BOARD, THE DISTRICT, THE COUNTY, THE STATE, 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 2020 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 2020 Certificates are offered when, as and if delivered and received by the Underwriters (as defined herein), subject to the approval 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, Akerman LLP, Tampa, Florida, and GrayRobinson, 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 will act as Financial Advisor to the Board. Certain legal matters will be passed upon for the Underwriters by Bryant Miller Olive P.A., Tampa, Florida. The Series 2020 Certificates are expected to be delivered to the Underwriters in New York, New York through the facilities of The Depository Trust Company on or about May 21, 2020.*

**BofA Securities****Jefferies****Raymond James & Associates, Inc.****RBC Capital Markets**

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

<p><b>\$56,700,000</b></p> <p><b>REFUNDING CERTIFICATES OF PARTICIPATION</b> (School Board of Hillsborough County, Florida Master Lease Program), Series 2020A</p> <p><b>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</b></p>	<p><b>\$76,530,000</b></p> <p><b>TAXABLE REFUNDING CERTIFICATES OF PARTICIPATION</b> (School Board of Hillsborough County, Florida Master Lease Program), Series 2020B</p> <p><b>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</b></p>
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**Series 2020A Certificates**

<b>Maturity (July 1)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Yield</b>	<b>Price</b>	<b>Initial CUSIP Number*</b>
2027	\$18,360,000	5.000%	1.570%	122.991	43232VVB4
2029	38,340,000	5.000%	1.770%	127.066	43232VVC2

**Series 2020B Certificates**

<b>Maturity (July 1)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Yield</b>	<b>Price</b>	<b>Initial CUSIP Number*</b>
2021	\$ 4,875,000	1.261%	1.261%	100.000	43232VVD0
2022	4,935,000	1.361%	1.361%	100.000	43232VVE8
2023	5,005,000	1.553%	1.553%	100.000	43232VVF5
2024	28,100,000	1.815%	1.815%	100.000	43232VVG3
2025	28,610,000	1.915%	1.915%	100.000	43232VVH1

\$5,005,000 2.191% Term Series 2020B Certificates due on July 1, 2027, Yield 2.191%, Price 100.000,  
CUSIP No. 43232VVJ7\*

\* CUSIP numbers have been assigned by an independent company not affiliated with the Board and are included solely for the convenience of the owners of the Series 2020 Certificates. The Board is not responsible for the use of the CUSIP Numbers referenced herein nor is any representation made by the Board as to their correctness. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2020 Certificates as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2020 Certificates

## ADDITIONAL INFORMATION

The Series 2020 Certificates are being delivered by The Bank of New York Mellon Trust Company, N.A., Jacksonville, Florida, as successor Trustee (the "Trustee"), as fully registered certificates in denominations of \$5,000 or any integral multiple thereof, pursuant to the provisions of a Master Trust Agreement, dated as of April 1, 1994, as amended (the "Master Trust Agreement"), as supplemented with respect to the Series 2020A Certificates by a Series 2020A Supplemental Trust Agreement, dated as of May 1, 2020 (the "Series 2020A Supplemental Trust Agreement" and, together with the Master Trust Agreement, the "Series 2020A Trust Agreement"), and with respect to the Series 2020B Certificates by a Series 2020B Supplemental Trust Agreement, dated as of May 1, 2020 (the "Series 2020B Supplemental Trust Agreement" and, together with the Master Trust Agreement, the "Series 2020B Trust Agreement"), each among the Board, the Trustee, and the Corporation. The Interest Component of Basic Rent Payments represented by each Series of the Series 2020 Certificates is payable on January 1 and July 1 of each year, commencing July 1, 2020 (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 2020 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 2020 Certificates (the "Beneficial Owners") will not receive physical delivery of Series 2020 Certificates. Ownership by the Beneficial Owners of the Series 2020 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 each Series of the Series 2020 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 each Series of the Series 2020 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 terms of the Series 1999 Lease Agreement and the Series 2003B Lease Agreement will continue through and including June 30, 2020. The Series 1999 Lease Agreement is automatically renewable annually thereafter through June 30, 2029, unless sooner terminated as described herein. The Series 2003B Lease Agreement is automatically renewable annually thereafter through June 30, 2027, unless sooner terminated as described herein. In addition to the Series 1999 Lease Agreement and the 2003B Lease Agreement, the Board has previously entered into a Series 1998 Lease Agreement, a Series 2000 Lease Agreement, a Series 2001B Lease Agreement, a Series 2002 Lease Agreement, a Series 2004B Lease Agreement, a Series 2004-QZAB Lease Agreement, a Series 2004C Lease Agreement, a Series 2005-QZAB Lease Agreement, a Series 2006A Lease Agreement, a Series 2007 Lease Agreement and a Series 2010B Lease Agreement (each as defined herein), and may enter into other leases under the Master Lease. **There are 35 schools and 48 additions to schools leased under the Master Lease. Based on the District's budgeted unweighted full-time equivalent enrollment for Fiscal Year 2019-20 of 218,593 students, approximately 17.5% of the District's students will attend classes in facilities leased under the Master Lease (including the Series 1999 Project and the Series 2003B Project) during the Fiscal Year 2019-20.** To determine the above percentage, the number of students attending each facility was calculated as follows: for schools that are built and operating, the number of students for the Fiscal Year 2019-20 was used; for the additions, the number of student stations attributable to each specific classroom for Fiscal Year 2019-20 based on the type of school (elementary, middle, or high) or gymnasium, but does not include cafeterias, media centers, and other facilities that do not have any student stations attributable to them or any Projects (as defined in the Master Trust Agreement) that constitute Designated Equipment (as described below).

**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 and the Series 2003B 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 2020A Certificates and the Series 2020B 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 and the Series 2003B Lease Agreement, respectively. The proceeds of any such disposition of the Series 1999 Project leased under the Series 1999 Lease Agreement shall be applied to the payment of the Series 2020A Certificates. The proceeds of any such disposition of the Series 2003B Project leased under the Series 2003B Lease Agreement shall be applied to the payment of the Series 2020B Certificates. See "SECURITY FOR THE SERIES 2020 CERTIFICATES – Master-Lease Aspects" herein. The Series 1999 Project and the Series 2003B Project include Designated Equipment, which consists of certain designated educational facilities and equipment components not constituting fixtures of the educational facilities. None of the holders of the Series 2020 Certificates will be granted any interest in Designated Equipment. Should termination of the Master Lease occur, the Series 2020 Certificates will not be prepaid except to the extent the Trustee has or receives moneys available for such purpose from the disposition of the Series 1999 Project leased under the Series 1999 Lease Agreement, with respect to the Series 2020A Certificates, and from the disposition of the Series 2003B Project leased under the Series 2003B Lease Agreement, with respect to the Series 2020B Certificates, in each case 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 2020 Certificates following an event of non-appropriation or an event of default under the Master Lease which results in termination the Series 1999 Lease Agreement and the Series 2003B Lease Agreement. Transfers of the Series 2020 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 that results in termination of the Series 1999 Lease Agreement and the Series 2003B Lease Agreement (see "TAX MATTERS" and "RISK FACTORS" herein).

**The Third Amended and Restated Lease Schedule No. 1999 and the Second Amended and Restated Lease Schedule No. 2003B each contain provisions allowing the School Board and Corporation to release certain facilities from the lien of the Master Lease and the applicable Ground Lease upon certain conditions. By purchasing the Series 2020 Certificates, the initial Beneficial Owners of the Series 2020 Certificates shall be deemed to have consented to such provisions. See "THE REFINANCED PROJECTS – Substitution and Release of Refinanced Projects" herein and "APPENDIX E: MASTER LEASE-PURCHASE AGREEMENT, AS AMENDED, AND FORMS OF THE SERIES 1999 LEASE AGREEMENT AND THE SERIES 2003B LEASE AGREEMENT" hereto.**

***PARTICIPANTS IN THE FINANCING***

**LESSOR**

Hillsborough School Board Leasing Corporation  
Tampa, Florida

**LESSEE**

The School Board of Hillsborough County, Florida  
Tampa, Florida

**BOARD MEMBERS**

Melissa Snively, Chair  
Steve Cona III, Vice Chair  
Lynn L. Gray, Member  
Dr. Stacy Hahn, Ph.D., Member  
Karen Perez, Member  
Tamara P. Shamburger, Member  
Cindy Stuart, Member

**DISTRICT OFFICIALS**

Addison Davis, Acting Superintendent of Schools\*  
Gretchen Saunders, Chief Business Officer

**COUNSEL TO THE BOARD**

Akerman LLP  
Tampa, Florida

**SPECIAL COUNSEL**

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

**DISCLOSURE COUNSEL**

GrayRobinson, P.A.  
Tampa, Florida

**FINANCIAL ADVISOR**

Ford & Associates, Inc.  
Tampa, Florida

**TRUSTEE**

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

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\*Addison Davis began serving as Acting Superintendent in March 2020 and will become Superintendent following the retirement of the District's current Superintendent, Jeff Eakins, on June 30, 2020.

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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 2020 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.

NO REGISTRATION STATEMENT RELATING TO THE SERIES 2020 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 2020 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 2020 CERTIFICATES.

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS OFFERING STATEMENT CONSTITUTE "FORWARD LOOKING STATEMENTS." SUCH STATEMENTS GENERALLY ARE IDENTIFIABLE BY THE TERMINOLOGY USED, SUCH AS "PLAN," "EXPECT," "ESTIMATE," "BUDGET," OR OTHER SIMILAR WORDS. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES, AND OTHER FACTORS THAT MAY CAUSE ACTUAL RESULTS, PERFORMANCE, OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY

DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE, OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD LOOKING STATEMENTS. THE BOARD DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS OR EVENTS, CONDITIONS, OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, SUBJECT TO ANY CONTRACTUAL OR LEGAL RESPONSIBILITIES TO THE CONTRARY.

THIS OFFERING STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS IN EITHER BOUND OR PRINTED FORMAT ("ORIGINAL BOUND FORMAT"), OR IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITES: [WWW.MUNIOS.COM](http://WWW.MUNIOS.COM) AND [WWW.EMMA.MSRB.ORG](http://WWW.EMMA.MSRB.ORG). THIS OFFERING STATEMENT MAY BE RELIED ON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT, OR IF IT IS PRINTED OR SAVED IN FULL DIRECTLY FROM THE AFOREMENTIONED WEBSITES.

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

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 2020 Certificates are qualified in their entirety by reference to the form thereof included in the aforesaid documents and agreements. References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this offering document.



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## OFFERING STATEMENT

related to

\$133,230,000

School Board of Hillsborough County, Florida

\$56,700,000

### REFUNDING CERTIFICATES OF PARTICIPATION

(School Board of Hillsborough County, Florida

Master Lease Program), Series 2020A

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

\$76,530,000

### TAXABLE REFUNDING CERTIFICATES OF PARTICIPATION

(School Board of Hillsborough County, Florida

Master Lease Program), Series 2020B

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 pages and appendices hereto, is provided to furnish information with respect to The School Board of Hillsborough County, Florida (the "Board"), as governing body of the School District of Hillsborough County, Florida (the "District"), and the sale and delivery of the Refunding Certificates of Participation (School Board of Hillsborough County, Florida Master Lease Program), Series 2020A (the "Series 2020A Certificates"), which are being issued in the aggregate principal amount of \$56,700,000, and Taxable Refunding Certificates of Participation (School Board of Hillsborough County, Florida Master Lease Program), Series 2020B (the "Series 2020B Certificates"), which are being issued in the aggregate principal amount of \$76,530,000. The Series 2020A Certificates and the Series 2020B Certificates are collectively referred to herein as the "Series 2020 Certificates."

The Series 2020A Certificates are being issued pursuant to a Master Trust Agreement, dated as of April 1, 1994, as amended (the "Master Trust Agreement"), as supplemented by the Series 2020A Supplemental Trust Agreement, dated as of May 1, 2020 (the "Series 2020A Supplemental Trust Agreement" and, together with the Master Trust Agreement, the "Series 2020A 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. (the "Trustee"), who is also serving as Paying Agent and Registrar.

The Series 2020B Certificates are being issued pursuant to the Master Trust Agreement, as supplemented by the Series 2020B Supplemental Trust Agreement, dated as of May 1, 2020 (the "Series 2020B Supplemental Trust Agreement" and, together with the Master Trust Agreement, the "Series 2020B Trust Agreement"), by and among the Board, the Corporation and the Trustee, who is also serving as Paying Agent and Registrar.

The Series 2020A Certificates represent an undivided proportionate interest of the owners thereof in the right to receive a portion of the Basic Rent Payments (as defined herein) payable under a Master Lease-Purchase Agreement, dated as of April 1, 1994, as amended (the "Master Lease"), by and between the Corporation and the Board, as amended and supplemented by the Third Amended and Restated Lease Schedule No. 1999, dated as of May 1, 2020 (the "Third Amended and Restated Lease Schedule No. 1999" and, together with the Master Lease, the "Series 1999 Lease Agreement") providing for the defeasance to

maturity and refunding, on a current basis, as applicable, of all of the Refunding Certificates of Participation (School Board of Hillsborough County, Florida Master Lease Program), Series 2010A (the "Refunded Series 2010A Certificates"), which financed and refinanced the lease purchase of the Series 1999 Project (as defined herein). See "PLAN OF REFINANCING" herein.

The Series 2020B Certificates represent an undivided proportionate interest of the owners thereof in the right to receive a portion of the Basic Rent Payments payable under the Master Lease, as amended and supplemented by the Second Amended and Restated Lease Schedule No. 2003B, dated as of May 1, 2020 (the "Second Amended and Restated Lease Schedule No. 2003B" and, together with the Master Lease, the "Series 2003B Lease Agreement") providing for the refunding, on and advanced and taxable basis, of all of the Refunding Certificates of Participation (School Board of Hillsborough County, Florida Master Lease Program), Series 2012A (the "Refunded Series 2012A Certificates" and, together with the Refunded Series 2010A Certificates, the "Refunded Certificates"), which financed and refinanced the lease purchase of the Series 2003B Project (as defined herein). See "PLAN OF REFINANCING" herein.

The rights, title, and interest of the Corporation in the Series 1999 Lease Agreement and the Series 2003B Lease Agreement, including the right of the Corporation to receive Basic Rent (as 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 2020A Certificates have been irrevocably assigned by outright assignment to the Trustee pursuant to the Assignment of Lease Agreement, dated as of April 1, 1994, as amended, and particularly as amended by a Thirty-Fourth Amendment to Assignment of Lease Agreement, dated as of May 1, 2020 (collectively, the "Assignment").

The Board currently holds title to the sites on which the Series 1999 Project and the Series 2003B Project are located (the "Series 1999 Project Lands" and the "Series 2003B Project Lands," respectively). Pursuant to the Series 1999 Ground Lease, dated as of October 1, 1999, as amended and supplemented, particularly as amended by a Second Amendment to Ground Lease Agreement, dated as of May 1, 2020 (collectively, the "Series 1999 Ground Lease"), the Board is leasing the Series 1999 Project Lands to the Corporation. The term of the Series 1999 Ground Lease commenced on the dated date of the Certificates of Participation (School Board of Hillsborough County, Florida Master Lease Program), Series 1999 (the "Series 1999 Certificates") and ends on July 1, 2034, subject to Permitted Encumbrances (as defined in the Series 1999 Ground Lease), and subject to earlier termination or extension as set forth therein. See "THE MASTER LEASE PROGRAM – THE SERIES 1999 GROUND LEASE" herein. Pursuant to the Series 2003B Ground Lease, dated as of September 1, 2003, as amended and supplemented, particularly as amended by a Second Amendment to Ground Lease Agreement, dated as of May 1, 2020 (collectively, the "Series 2003B Ground Lease"), the Board is leasing the Series 2003B Project Lands to the Corporation. The term of the Series 2003B Ground Lease commenced on the dated date of the Certificates of Participation (School Board of Hillsborough County, Florida Master Lease Program), Series 2003B (the "Series 2003B Certificates") and ends on July 1, 2032, subject to Permitted Encumbrances (as defined in the Series 2003B Ground Lease), and subject to earlier termination or extension as set forth therein. See "THE MASTER LEASE PROGRAM – THE SERIES 2003B GROUND LEASE" herein. The rights, title, and interest of the Corporation in the Series 1999 Ground Lease and the Series 2003B Ground Lease, including the leasehold estate created by the Series 1999 Ground Lease and the Series 2003B Ground Lease and any buildings and improvements thereon, have been irrevocably assigned by outright assignment to the Trustee pursuant to, respectively, the Assignment of Ground Lease dated as of October 1, 1999, as amended and supplemented (the "Series 1999 Ground Lease Assignment") and the Assignment of Ground Lease dated as of September 1, 2003, as amended and supplemented (the "Series 2003B Ground Lease Assignment"). See "APPENDIX G: COMPOSITE SERIES

1999 GROUND LEASE AGREEMENT AND COMPOSITE SERIES 2003B GROUND LEASE AGREEMENT."

The Third Amended and Restated Lease Schedule No. 1999 and the Second Amended and Restated Lease Schedule No. 2003B each contain provisions allowing the School Board and Corporation to release certain facilities from the lien of the Master Lease and the applicable Ground Lease upon certain conditions. By purchasing the Series 2020 Certificates, the initial Beneficial Owners of the Series 2020 Certificates shall be deemed to have consented to such provisions. See "THE REFINANCED PROJECTS – Substitution and Release of Refinanced Projects" herein and "APPENDIX E: MASTER LEASE-PURCHASE AGREEMENT, AS AMENDED, AND FORMS OF THE SERIES 1999 LEASE AGREEMENT AND THE SERIES 2003B LEASE AGREEMENT" hereto.

**The Refunded Certificates**

In April 2010, the Board entered into the Second Amended and Restated Lease Schedule No. 1999 to the Master Lease (the "Current Schedule No. 1999," and together with the Master Lease, the "Current Series 1999 Lease Agreement") to finance and refinance certain educational and related facilities (the "Series 1999 Project"). See "THE REFINANCED PROJECTS" herein. The Current Series 1999 Lease Agreement relates to the Series 2010A Certificates. The Series 2010A Certificates are currently outstanding in the principal amount of \$73,800,000. Upon the issuance of the Series 2020A Certificates, the Board will enter into the Third Amended and Restated Lease Schedule No. 1999, which amends and restates the Current Schedule No. 1999 in its entirety, and provides for the refinancing of a portion of the costs of the Series 1999 Project represented by the Refunded Series 2010A Certificates and reflects the issuance of the Series 2020A Certificates. Subject to the Board's right of non-appropriation, the Series 1999 Lease Agreement is automatically renewable through June 30, 2029. See "PLAN OF REFINANCE" herein.

In April 2012, the Board entered into the Amended and Restated Lease Schedule No. 2003B to the Master Lease (the "Current Schedule No. 2003B," and together with the Master Lease, the "Current Series 2003B Lease Agreement") to finance and refinance certain educational and related facilities (the "Series 2003B Project" and, together with the Series 1999 Project, the "Refinanced Projects"). See "THE REFINANCED PROJECTS" herein. The Current Series 2003B Lease Agreement relates to the Series 2012A Certificates. The Series 2012A Certificates are currently outstanding in the principal amount of \$69,050,000. Upon the issuance of the Series 2020B Certificates, the Board will enter into the Second Amended and Restated Lease Schedule No. 2003B, which amends and restates the Current Schedule No. 2003B in its entirety, and provides for the refinancing of a portion of the costs of the Series 2003B Project represented by the Refunded Series 2012A Certificates and reflects the issuance of the Series 2020B Certificates. Subject to the Board's right of non-appropriation, the Series 2003B Lease Agreement is automatically renewable through June 30, 2027. See "PLAN OF REFINANCE" herein.

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## 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 2020 Certificates and the refunding of the Refunded Certificates. See "INTRODUCTION – The Refunded Certificates" and "THE PRIOR CERTIFICATES" herein for information regarding the issuance of each Series of Certificates.

Lease Schedule	Projects Financed	Final Termination Date of Lease	Related Series of Certificates	Outstanding Principal
Series 1998 Lease	Series 1998 Project	06/30/2023	Series 2017C	\$ 89,845,000
Series 1999 Lease	Series 1999 Project	06/30/2029	Series 2020A <sup>(1)</sup>	56,700,000
Series 2000 Lease	Series 2000 Project	06/30/2026	Series 2015A	36,070,000
Series 2001B Lease	Series 2001B Project	06/30/2026	Series 2017A	27,050,000
Series 2002 Lease	Series 2002 Project	06/30/2028	Series 2014A	1,336,527
			Series 2017B	51,915,000
Series 2003B Lease	Series 2003B Project	06/30/2027	Series 2020B <sup>(2)</sup>	76,530,000
Series 2004B Lease	Series 2004B Project	06/30/2026	Series 2014A	22,843,473
Series 2004-QZAB Lease	Series 2004-QZAB Project	06/30/2020	Series 2004-QZAB	270,948 <sup>(3)</sup>
Series 2004C Lease	Series 2004C Project	06/30/2030	Series 2018	63,905,000
Series 2005-QZAB Lease	Series 2005-QZAB Project	12/20/2020	Series 2005-QZAB	146,612 <sup>(3)</sup>
Series 2006A Lease	Series 2006A Project	06/30/2031	Series 2015A	55,620,000
Series 2007 Lease	Series 2007 Project	06/30/2031	Series 2016A	48,140,000
Series 2010B Lease	Series 2010B Project	11/30/2028	Series 2010B	18,967,500 <sup>(3)</sup>
			Total	<u>\$549,340,060<sup>(4)</sup></u>

<sup>(1)</sup> As described herein, the Series 2020A Certificates will defease to maturity and refund all of the Series 2010A Certificates. See "PLAN OF REFINANCE" herein.

<sup>(2)</sup> As described herein, the Series 2020B Certificates will refund all of the Series 2012A Certificates. See "PLAN OF REFINANCE" herein.

<sup>(3)</sup> Amounts remaining to be deposited to the applicable sinking fund such that amounts deposited therein together with the interest earnings thereon will equal the total principal and interest due on the respective maturity dates.

<sup>(4)</sup> See table entitled Anticipated Capital Outlay Millage Levy Required to Cover Basic Rent Payments Represented by the Prior Certificates and the Refunded Certificates.

## Purpose of the Issue

The Series 2020A Certificates are being issued for the purpose of providing funds sufficient, together with other legally available funds of the Board, to (i) defease to maturity and currently refund, as applicable, all of the outstanding Series 2010A Certificates and thereby refinance a portion of the acquisition, installation, and construction of a portion of the Series 1999 Project, and (ii) pay certain costs of issuance with respect to the Series 2020A Certificates.

The Series 2020B Certificates are being issued for the purpose of providing funds sufficient, together with other legally available funds of the Board, to (i) advance refund all of the outstanding Series 2012A Certificates and thereby refinance a portion of the acquisition, installation, and construction of a



portion of the Series 2003B Project, and (ii) pay certain costs of issuance with respect to the Series 2020B Certificates.

### **Continuing Disclosure**

The Board has agreed to undertake, for the benefit of the Owners of the Series 2020 Certificates, to provide certain annual financial information and operating data and notice of certain material events when and if they occur relating to the District and the Series 2020 Certificates pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended. See "CONTINUING DISCLOSURE" herein.

### **Other Information**

Brief descriptions of the Series 2020 Certificates, the Board, the Corporation, the Series 1999 Lease Agreement, the Series 2003B Lease Agreement, the Series 2020A Trust Agreement, the Series 2020B Trust Agreement, the Assignment, the Series 1999 Ground Lease, the Series 1999 Ground Lease Assignment, the Series 2003B Ground Lease and the Series 2003B Ground Lease Assignment are each included in this Offering Statement. All references herein to the Series 2020 Certificates, the Series 1999 Lease Agreement, the Series 2003B Lease Agreement, the Series 2020A Trust Agreement, the Series 2020B Trust Agreement, the Assignment, the Series 1999 Ground Lease, the Series 1999 Ground Lease Assignment, the Series 2003B Ground Lease and the Series 2003B Ground Lease Assignment are qualified in their entirety by reference to the respective complete documents. Copies or forms of the Series 2020A Trust Agreement and the Series 2020B Trust Agreement; the Series 1999 Lease Agreement and the Series 2003B Lease Agreement; the Assignment; and the Series 1999 Ground Lease, the Series 1999 Ground Lease Assignment, the Series 2003B Ground Lease and the Series 2003B Ground Lease Assignment 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 the laws of the State of Florida (the "State"), including particularly Chapters 1000 through 1013, Florida Statutes (collectively, the "Act"), and the judicial decisions related thereto, the Board has the power and authority to enter into transactions such as that contemplated by the Series 1999 Lease Agreement, the Series 2003B Lease Agreement, the Series 1999 Ground Lease, the Series 2003B Ground Lease, the Series 2020A Trust Agreement and the Series 2020B Trust Agreement. The Board authorized doing so pursuant to a resolution duly adopted by the Board on March 31, 2020 (the "Resolution").

### **PLAN OF REFINANCE**

The Refunded Series 2010A Certificates maturing on July 1, 2020 will be defeased to maturity and the remaining Refunded Series 2010A Certificates will be currently refunded on July 1, 2020 (the "2010A Prepayment Date"), at a Prepayment Price of 100%, plus accrued interest to the 2010A Prepayment Date, pursuant to the plan of refinancing. The moneys required to defease to maturity and to refund and prepay,

as applicable, the Refunded Series 2010A Certificates will be derived from a portion of the proceeds of the Series 2020A Certificates and other legally available funds of the Board.

To effect the defeasance and refunding, as applicable, of the Refunded Series 2010A Certificates, a portion of the proceeds of the Series 2020A Certificates, together with other legally available funds of the Board, will be irrevocably placed in an escrow fund (the "2010A 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 "2010A Escrow Agreement"). A portion of such funds will be applied on the date of issuance of the Series 2020A Certificates 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 (the "2010A Refunding Securities"). The 2010A 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 cash balances, to pay the principal and interest coming due at maturity on those Refunded Series 2010A Certificates that have been defeased to maturity and to pay the Prepayment Price on the remaining Refunded 2010A Certificates on the 2010A Prepayment Date, as applicable.

The Refunded Series 2012A Certificates will be advance refunded on a taxable basis on July 1, 2022 (the "2012A Prepayment Date"), at a Prepayment Price of 100%, plus accrued interest to the 2012A Prepayment Date, pursuant to the plan of refinancing. The moneys required to refund and prepay the Refunded Series 2012A Certificates will be derived from a portion of the proceeds of the Series 2020B Certificates and other legally available funds of the Board.

To effect the refunding of the Refunded Series 2012A Certificates, a portion of the proceeds of the Series 2020B Certificates, together with other legally available funds of the Board, will be irrevocably placed in an escrow fund (the "2012A Escrow Fund") with the Escrow Agent, pursuant to an escrow deposit agreement between the Board and the Escrow Agent (the "2012A Escrow Agreement"). A portion of such funds will be applied on the date of issuance of the Series 2020B Certificates 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 (the "2012A Refunding Securities"). The 2012A 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 cash balances, to pay the Prepayment Price on the Refunded 2012A Certificates on the 2012A Prepayment Date.

Upon such deposits with the Escrow Agent, as described above, the Refunded Certificates shall no longer be deemed outstanding for purposes of the related Trust Agreement and the resolutions and other documents authorizing their issuance, and all liability of the Board with respect thereto shall cease, terminate and be completely discharged and extinguished. The holders of the Refunded Series 2010A Certificates shall be entitled to payment solely out of the moneys and securities on deposit pursuant to the 2010A Escrow Agreement, and the holders of the Refunded Series 2012A Certificates shall be entitled to payment solely out of the moneys and securities on deposit pursuant to the 2012A Escrow Agreement.

#### **VERIFICATION**

As of the delivery date of the Series 2020A Certificates, Robert Thomas CPA, LLC (the "Verification Agent") will verify, from information provided to them, the mathematical accuracy of the computations contained in schedules provided by Ford & Associates, Inc., the Financial Advisor for the Series 2020A Certificates, to determine that the anticipated receipts from the 2010A Refunding Securities will be sufficient to pay on the applicable principal and interest payment dates, including the 2010A Prepayment

Date, the principal of and interest on the Refunded Series 2010A Certificates, and the yield on the Series 2020A Certificates.

As of the delivery date of the Series 2020B Certificates, the Verification Agent will verify, from information provided to them, the mathematical accuracy of the computations contained in schedules provided by Ford & Associates, Inc., the Financial Advisor for the Series 2020B Certificates, to determine that the anticipated receipts from the 2012B Refunding Securities will be sufficient to pay on the applicable principal and interest payment dates, including the 2012A Prepayment Date, the principal of and interest on the Refunded Series 2012A 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 2020A Certificates.

## **THE PRIOR CERTIFICATES**

### **Series 1998 Lease Agreement**

In November 2017, the Board entered into the Sixth Amended and Restated Lease Schedule No. 1998 to the Master Lease (together with the Master Lease, the "Series 1998 Lease Agreement"), to finance and refinance certain educational and related facilities (the "Series 1998 Project")\* thereunder. See "THE PRIOR PROJECTS – Series 1998 Project" herein. The Series 1998 Lease Agreement relates to the Refunding Certificates of Participation (School Board of Hillsborough County, Florida Master Lease Program), Series 2017C (the "Series 2017C Certificates"), which are currently outstanding in the principal amount of \$89,845,000, all of which is allocable to the Series 1998 Lease Agreement. Subject to the Board's right of non-appropriation, the Series 1998 Lease Agreement is automatically renewable annually through June 30, 2023.

### **Series 2000 Lease Agreement**

In August 2015, the Board entered into the Fourth Amended and Second Restated Lease Schedule No. 2000 to the Master Lease (together with the Master Lease, the "Series 2000 Lease Agreement") to finance and refinance certain educational and related facilities (the "Series 2000 Project"). See "THE PRIOR PROJECTS – Series 2000 Project" herein. The Series 2000 Lease Agreement relates to the Refunding Certificates of Participation (School Board of Hillsborough County, Florida Master Lease Program), Series 2015A (the "Series 2015A Certificates"). The Series 2015A Certificates are currently outstanding in the principal amount of \$91,690,000, of which \$36,070,000 have been allocated to the Series 2000 Lease Agreement. Subject to the Board's right of non-appropriation, the Series 2000 Lease Agreement is automatically renewable annually through June 30, 2026.

### **Series 2001B Lease Agreement**

In May 2017, the Board entered into the Second Amended and Second Restated Lease Schedule No. 2001B to the Master Lease (together with the Master Lease, the "Series 2001B Lease Agreement") to finance and refinance certain educational and related facilities (the "Series 2001B Project"). See "THE PRIOR PROJECTS – Series 2001B Project" herein. The Series 2001B Lease Agreement relates the Refunding Certificates of Participation (School Board of Hillsborough County, Florida Master Lease Program), Series

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\* The Series 1998 Lease Agreement also provided for the refinancing of additional educational and related facilities referred to as the "Series 1994 Project" and the "Series 1995 Project"; in accordance with the Series 1998 Lease Agreement, the final Basic Rent Payments on the Series 1994 Project and the Series 1995 Project were due and paid on July 1, 2018.

2017A (the "Series 2017A Certificates"), which are currently outstanding in the principal amount of \$27,050,000, all of which is allocable to the Series 2001B Lease Agreement. Subject to the Board's right of non-appropriation, the Series 2001B Lease Agreement is automatically renewable annually through June 30, 2026.

#### **Series 2002 Lease Agreement**

In November 2017, the Board entered into a Third Amended and Restated Lease Schedule No. 2002 to the Master Lease (together with the Master Lease, the "Series 2002 Lease Agreement") to finance and refinance certain educational and related facilities (the "Series 2002 Project"). See "THE PRIOR PROJECTS – Series 2002 Project" herein. The Series 2002 Lease Agreement relates to (i) the Refunding Certificates of Participation (School Board of Hillsborough County, Florida Master Lease Program), Series 2014A (the "Series 2014A Certificates"), which are currently outstanding in the principal amount of \$24,180,000, of which \$1,336,527 is allocable to the Series 2002 Lease Agreement; and (ii) the Refunding Certificates of Participation (School Board of Hillsborough County, Florida Master Lease Program), Series 2017B (the "Series 2017B Certificates"), which are currently outstanding in the principal amount of \$51,915,000, all of which is allocable to the Series 2002 Lease Agreement. Subject to the Board's right of non-appropriation, the Series 2002 Lease Agreement is automatically renewable annually through June 30, 2028.

#### **Series 2004B Lease Agreement**

In April 2014, the Board entered into the Amended and Restated Lease Schedule No. 2004B to the Master Lease (together with the Master Lease, the "Series 2004B Lease Agreement") to finance and refinance certain educational and related facilities (the "Series 2004B Project"). See "THE PRIOR PROJECTS – Series 2004B Project" herein. The Series 2004B Lease Agreement relates to the Series 2014A Certificates. The Series 2014A Certificates are currently outstanding in the principal amount of \$24,180,000, of which \$22,843,473 is allocable to the Series 2004B Lease Agreement. Subject to the Board's right of non-appropriation, the Series 2004B Lease Agreement is automatically renewable annually through June 30, 2026.

#### **Series 2004-QZAB Lease Agreement**

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") to finance certain educational and related facilities (the "Series 2004-QZAB Project"). All of the Series 2004-QZAB Project constitutes Designated Equipment. See "THE PRIOR PROJECTS – Series 2004-QZAB Project" herein. The Series 2004-QZAB Lease Agreement relates to Certificates of Participation (School Board of Hillsborough County, Florida Master Lease Program), Series 2004-QZAB (the "Series 2004-QZAB Certificates"), all of which are currently outstanding; however, \$270,948 remains to be deposited into a sinking fund related thereto. Amounts deposited to the sinking fund are invested pursuant to a forward delivery agreement, which, together with interest earnings thereon, are expected to be equal to the principal amount of Series 2004-QZAB Certificates at maturity. Subject to the Board's right of non-appropriation, the Series 2004-QZAB Lease Agreement is automatically renewable annually through June 30, 2020.

#### **Series 2004C Lease Agreement**

In November 2018, the Board entered into the Fifth Amended and Restated Lease Schedule No. 2004C to the Master Lease (together with the Master Lease, the "Series 2004C Lease Agreement") to finance and refinance certain educational and related facilities (the "Series 2004C Project"). See "THE PRIOR PROJECTS – Series 2004C Project" herein. The Series 2004C Lease Agreement relates the Refunding Certificates of Participation (School Board of Hillsborough County, Florida Master Lease Program), Series

2018 (the "Series 2018 Certificates"), which are currently outstanding in the principal amount of \$63,905,000, all of which is allocable to the Series 2004C Lease Agreement. The Series 2004C Lease Agreement is automatically renewable annually through June 30, 2030.

#### **Series 2005-QZAB Lease Agreement**

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") to finance certain educational and related facilities (the "Series 2005-QZAB Project"). All of the Series 2005-QZAB Project constitutes Designated Equipment. See "THE PRIOR PROJECTS – Series 2005-QZAB Project" herein. The Series 2005-QZAB Lease Agreement relates to Certificates of Participation (School Board of Hillsborough County, Florida Master Lease Program), Series 2005-QZAB (the "Series 2005-QZAB Certificates"), all of which are currently outstanding; however, \$146,612 remains to be deposited into a sinking fund related thereto. Amounts deposited to the sinking fund are invested pursuant to a forward delivery agreement, which, together with interest earnings thereon, are expected to be equal to the principal amount of the Series 2005-QZAB Certificates at maturity. Subject to the Board's right of non-appropriation, the Series 2005-QZAB Lease Agreement is automatically renewable annually through December 20, 2020.

#### **Series 2006A Lease Agreement**

In September 2015, the Board entered into the Second Amended and Restated Lease Schedule 2006A to the Master Lease (together with the Master Lease, the "Series 2006A Lease Agreement") to finance and refinance certain educational and related facilities (the "Series 2006A Project"). See "THE PRIOR PROJECTS – Series 2006A Project" herein. The Series 2006A Lease Agreement relates to the Series 2015A Certificates. The Series 2015A Certificates are currently outstanding in the principal amount of \$91,690,000, of which \$55,620,000 is allocable to the Series 2006A Lease Agreement. Subject to the Board's right of non-appropriation, the Series 2006A Lease Agreement is automatically renewable annually through June 30, 2031.

#### **Series 2007 Lease Agreement**

In March 2016, the Board entered into the Amended and Restated Lease Schedule No. 2007 to the Master Lease (together with the Master Lease, the "Series 2007 Lease Agreement") to finance and refinance certain educational and related facilities (the "Series 2007 Project"). See "THE PRIOR PROJECTS – Series 2007 Project" herein. The Series 2007 Lease Agreement relates to the Refunding Certificates of Participation (School Board of Hillsborough County, Florida Master Lease Program), Series 2016A (the "Series 2016A Certificates"). The Series 2016A Certificates are currently outstanding in the principal amount of \$48,140,000, all of which is allocable to the Series 2007 Lease Agreement. Subject to the Board's right of non-appropriation, the Series 2007 Lease Agreement is automatically renewable annually through June 30, 2031.

The Series 2007 Lease Agreement provides that the portion of the Series 2007 Project comprised of Steinbrenner High School is secured on a pro rata basis by the Series 2004C Lease Agreement, the Series 2006A Lease Agreement, and the Series 2007 Lease Agreement and the portion of the Series 2006A Project and the Series 2007 Project comprised of Barrington Middle School is secured on a pro rata basis by the Series 2006A Lease Agreement and the Series 2007 Lease Agreement.

#### **Series 2010B Lease Agreement**

In December 2010, the Board entered into Lease Schedule No. 2010B to the Master Lease (the "Series 2010B Lease Agreement") to finance certain educational and related facilities (the "Series 2010B Project").

All of the Series 2010B Project constitutes Designated Equipment. See "THE PRIOR PROJECTS – Series 2010B Project" herein. The Series 2010B Lease Agreement relates to the Certificates of Participation (School Board of Hillsborough County, Florida Master Lease Program), Series 2010B (Qualified School Construction Bonds – Federally Taxable – Issuer Subsidy) (the "Series 2010B Certificates"), all of which are currently outstanding; however, \$18,967,500 remains to be deposited into a sinking fund related thereto. Amounts deposited to the sinking fund are invested pursuant to a forward delivery agreement, which, together with interest earnings thereon, are expected to be equal to the principal amount of the Series 2010B Certificates at maturity. Subject to the Board's right of non-appropriation, the Series 2010B Lease Agreement is automatically renewable annually through November 30, 2028.

### **Additional Information**

The Series 2004-QZAB Certificates, the Series 2005-QZAB Certificates, the Series 2010B Certificates, the Series 2014A Certificates, the Series 2015A Certificates, the Series 2016A Certificates, the Series 2017A Certificates, the Series 2017B Certificates, the Series 2017C Certificates and the Series 2018 Certificates are referred to herein, collectively, as the "Prior Certificates." Similarly, the Series 1998 Project, the Series 2000 Project, the Series 2001B Project, the Series 2002 Project, the Series 2004B Project, the Series 2004-QZAB Project, the Series 2004C Project, the Series 2005-QZAB Project, the Series 2006A Project, the Series 2007 Project, and the Series 2010B Project are collectively referred to herein as the "Prior Projects." Moreover, the Series 1998 Lease Agreement, the Series 2000 Lease Agreement, the Series 2001B Lease Agreement, the Series 2002 Lease Agreement, the Series 2004B Lease Agreement, the Series 2004-QZAB Lease Agreement, the Series 2004C Lease Agreement, the Series 2005-QZAB Lease Agreement, the Series 2006A Lease Agreement, the Series 2007 Lease Agreement and the Series 2010B Lease Agreement are referred to herein, collectively, as the "Prior Lease Agreements."

Certain of the Prior Certificates are currently rated "Aa3" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"), "AA-" (stable outlook) by S&P Global Ratings, and "A+" (negative outlook) by Fitch Ratings, Inc. ("Fitch"). The current Fitch rating on such Prior Certificates reflects a downgrade from "AA" (stable outlook) on April 13, 2020. Fitch's rationale for the downgrade can be found at the District's issuer homepage at [emma.msrb.org](http://emma.msrb.org). Fitch has not rated the Series 2020 Certificates. See "RATINGS" herein for more information regarding the ratings on the Series 2020 Certificates assigned by Moody's and S&P.

## **THE SERIES 2020 CERTIFICATES**

### **General**

The Series 2020 Certificates are issuable as fully registered Certificates in denominations of \$5,000 or any integral multiple thereof. The Series 2020 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 2020 Certificates shall initially be issued exclusively in "book-entry" form and ownership of one fully registered Series 2020 Certificate for each maturity of each Series, as set forth on the inside cover page, each in the aggregate principal amount of such maturity of such Series, 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 2020 Certificates is payable on January 1 and July 1 of each year, commencing July 1, 2020. Said interest component shall represent an undivided proportionate interest 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 (i) in the Series 1999 Lease Agreement and represented by the Series 2020A Certificates and (ii) in the Series 2003B Lease Agreement

and represented by the Series 2020B Certificates, to and including the maturity date of each Series 2020 Certificate, as applicable, 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 2020 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 2020 Certificates payable at maturity shall represent an undivided proportionate interest in the Principal Component of Basic Rent Payments on each of the dates set forth (i) in the Series 1999 Lease Agreement and represented by the Series 2020A Certificates and (ii) in the Series 2003B Lease Agreement and represented by the Series 2020B Certificates. The Principal Component of Basic Rent Payments represented by the Series 2020 Certificates is payable to the Owners thereof upon presentation, when due, at maturity or upon earlier prepayment, at the designated corporate trust office of the Trustee in Jacksonville, Florida.

**Prepayment of Series 2020 Certificates**

No Optional Prepayment. The Series 2020A Certificates and the Series 2020B Certificates are not subject to prepayment at the option of the Board prior to maturity.

Mandatory Prepayment. The Series 2020B Certificates maturing on July 1, 2027 are subject to mandatory prepayment prior to maturity, in part, from payments of the Principal Component of Basic Rent Payments on each July 1 in the years and in the Amortization Installments set forth below at a Prepayment Price of par plus interest accrued to the prepayment date.

<b>Maturity (July 1)</b>	<b>Amortization Installment</b>
2026	\$ 160,000
2027*	4,845,000

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\* Final Maturity

Selection of the Series 2020B Certificates for Prepayment. When Series 2020B Certificates are prepaid by lot, selection of Series 2020B Certificates for prepayment shall be in such manner as the Trustee shall determine; provided, however, that the portion of any Series 2020B Certificate to be prepaid shall be in the principal amount of \$5,000 or any whole multiple thereof, and that in selecting portions of Series 2020B Certificates for prepayment, the Trustee shall treat each such Series 2020B Certificate as representing that number of Series 2020B Certificates which is obtained by dividing the principal amount with respect to such Series 2020B Certificate by \$5,000.

No Extraordinary Prepayment in the Event of Damage, Destruction, or Condemnation. The Series 2020 Certificates shall not be subject to extraordinary prepayment from Net Proceeds of insurance or condemnation, and any amounts received therefrom shall be applied as provided in the Series 1999 Lease Agreement and the Series 2003B Lease Agreement, as applicable, as more particularly described below.

With respect to the Series 1999 Lease Agreement, notwithstanding the provisions set forth in Sections 5.08(c) and (d) of the Master Lease Agreement, if the Net Proceeds related to the Series 1999 Project are not greater than the amount of the Basic Rent Payments represented by the Series 2020A Certificates allocable to the Series 1999 Project coming due in the current and immediately following fiscal year under

the Third Amended and Restated Lease Schedule No. 1999, then such amounts shall be used first, to pay the Interest Component of the Series 2020A Certificates for the next two interest Payment Dates and then to pay the Principal Component next coming due. In the event such Net Proceeds are greater than the amount of the Basic Rent Payments coming due under the Third Amended and Restated Lease Schedule No. 1999 in the current and immediately following fiscal year, at the option of the Board, the Board shall apply the portion of the Net Proceeds of such insurance or condemnation award to (i) the acquisition, construction, and installation of other Land and/or Buildings to be used for educational purposes that will be subject to the Third Amended and Restated Lease Schedule No. 1999, or (ii) upon receipt of an approving opinion of Special Counsel, to the Series 2020A Subaccount of the Interest Account or the Series 2020A Subaccount of the Principal Account, as applicable, to be credited against the payments next due to such accounts or subaccounts.

With respect to the Series 2003B Lease Agreement, notwithstanding the provisions set forth in Sections 5.08(c) and (d) of the Master Lease Agreement, if the Net Proceeds related to the Series 2003B Project are not greater than the amount of the Basic Rent Payments represented by the Series 2020B Certificates allocable to the Series 2003B Project coming due in the current and immediately following fiscal year under the Second Amended and Restated Lease Schedule No. 2003B, then such amounts shall be used first, to pay the Interest Component of the Series 2020B Certificates for the next two interest Payment Dates and then to pay the Principal Component next coming due. In the event such Net Proceeds are greater than the amount of the Basic Rent Payments coming due under the Second Amended and Restated Lease Schedule No. 2003B in the current and immediately following fiscal year, at the option of the Board, the Board shall apply the portion of the Net Proceeds of such insurance or condemnation award to (i) the acquisition, construction, and installation of other Land and/or Buildings to be used for educational purposes that will be subject to the Second Amended and Restated Lease Schedule No. 2003B, or (ii) upon receipt of an approving opinion of Special Counsel, to the Series 2020B Subaccount of the Interest Account or Series 2020B Subaccount of the Principal Account, as applicable, to be credited against the payments next due to such accounts or subaccounts.

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

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

DTC will act as securities depository for the Series 2020 Certificates. The Series 2020 Certificates will be registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. Purchases of beneficial ownership interests in the Series 2020 Certificates will be made in book entry-only form, in the denominations hereinbefore described. Purchasers of beneficial ownership interests in the Series 2020 Certificates ("Beneficial Owners") will not receive Series 2020 Certificate representing their ownership interests in the Series 2020 Certificates, except in the event that use of the book entry-only system for the Series 2020 Certificates is discontinued. One fully registered certificate will be issued for each maturity of each Series of the Series 2020 Certificates, and deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A



of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (the "Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the "Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Series 2020 Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2020 Certificates on DTC's records. The ownership interest of each actual purchaser of each Series 2020 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 2020 Certificates are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2020 Certificates, except in the event that use of the book entry system for the Series 2020 Certificates is discontinued.

To facilitate subsequent transfers, all Series 2020 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 2020 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 2020 Certificates. DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2020 Certificates are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Series 2020 Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2020 Certificates, such as redemptions, tenders, defaults, and proposed amendments to the Series 2020 Certificate documents. For example, Beneficial Owners of the Series 2020 Certificates may wish to ascertain that the nominee holding the Series 2020 Certificates for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of the notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2020 Certificates unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2020 Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Interest payments on the Series 2020 Certificates will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participants and not of DTC, Agent, or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee for the Series 2020 Certificates. Disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

None of the Corporation, the Board or the Trustee can give any assurances that DTC, Direct Participants, Indirect Participants or others will distribute payments of principal of, premium, if any, and interest on the Series 2020 Certificates paid to DTC or its nominee, or any prepayment or other notices, to the Beneficial Owners, or that they will do so on a timely basis or that DTC will serve or act in a manner described in this Offering Statement.

For every transfer and exchange of beneficial interests in the Series 2020 Certificates, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other government charge that may be imposed in relation thereto.

DTC may discontinue providing its services as depository with respect to the Series 2020 Certificates at any time by giving reasonable notice to the Board. Under such circumstances, in the event that a successor depository is not obtained, certificates are required to be printed and delivered to DTC.

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

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

So long as the Series 2020 Certificates are registered in the name of Cede & Co., as the nominee of DTC, the transfer and exchange of any Series 2020 Certificates shall be governed by rules established between DTC and its Participants. Upon the discontinuance of the book-entry only registration system for the Series 2020 Certificates, the following provisions described under this subheading shall apply for the Beneficial Owners.

The Trustee shall keep or cause to be kept a Certificate Register, 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 the Series 2020 Certificates as provided therein.

The transfer of any Series 2020 Certificate may be registered only upon the Certificate Register upon surrender thereof to the Trustee together with an assignment duly executed by the Owner or such Owner's attorney or legal representative in such form as shall be satisfactory to the Trustee. Upon any such registration of transfer the Trustee shall authenticate and deliver in exchange for such Series 2020 Certificate a new registered Series 2020 Certificate of such Series, registered in the name of the transferee, of any denomination or denominations authorized by the Master Trust Agreement in the aggregate principal amount equal to the principal amount of such Series 2020 Certificate surrendered or exchanged, of the same maturity and Series, and bearing interest at the same rate.

In all cases in which the Series 2020 Certificates shall be exchanged or the transfer of the Series 2020 Certificates shall be registered under the Master Trust Agreement, the Trustee shall authenticate and deliver at the earliest practicable time Series 2020 Certificates in accordance with the provisions of the Master Trust Agreement. All Series 2020 Certificates surrendered in any such exchange or registration of transfer shall forthwith be cancelled by the Trustee. Upon the cancellation of any Series 2020 Certificates by the Trustee, the Trustee shall execute a certificate of cancellation in duplicate by the signature of one of its authorized officers describing the Series 2020 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 Series 2020 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 Series 2020 Certificates as a condition precedent to such registration, transfer, or exchange. The Trustee shall not be required to transfer or exchange Series 2020 Certificates 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.

The Series 2020 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 Series 2020 Certificates of the same maturity, of any denomination or denominations authorized by the Master Trust Agreement, bearing interest at the same rate, and in the same form as the Series 2020 Certificates surrendered for exchange.

#### **Series 2020 Certificates Mutilated, Destroyed, Stolen, or Lost**

In case any Series 2020 Certificates shall become mutilated or be destroyed, stolen, or lost, the Trustee shall cause to be executed, shall authenticate and deliver, a new Series 2020 Certificate of like date and tenor in exchange and substitution for and upon the cancellation of such mutilated Series 2020 Certificate or in lieu of and substitution for the Series 2020 Certificate destroyed, stolen, or lost, and the Owner shall pay the reasonable expenses and charges of the Trustee in connection therewith and, in the case of a Series 2020 Certificate destroyed, stolen, or lost, the Owner shall file with the Trustee evidence satisfactory to it that such Series 2020 Certificate was destroyed or lost, and of his ownership thereof, and as a condition precedent to delivery of such new Series 2020 Certificate the Trustee may require indemnity satisfactory to it.

Every Series 2020 Certificate issued in exchange or substitution for any Series 2020 Certificate which is mutilated, destroyed, lost, or stolen shall constitute an additional contractual obligation pursuant to the terms of the Master Trust Agreement, whether or not the destroyed, lost, or stolen Series 2020 Certificate shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits

of the Master Trust Agreement equally and proportionately with any and all other Certificates duly issued under the Master Trust Agreement.

## SECURITY FOR THE SERIES 2020 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 Refinanced Projects, may be added to the Master Lease from time to time, and that Additional Certificates in addition to the Series 2020 Certificates will be issued under the Master Trust Agreement in connection with such Projects. The Board has previously entered into the Prior Lease Agreements, as described under the heading "THE PRIOR CERTIFICATES," in connection with the financing and refinancing, from time to time, of the Prior Projects.

The Series 2020A Certificates evidence undivided proportionate interests in the Basic Rent Payments to be made by the Board under the Series 1999 Lease Agreement. The Series 2020A Certificates are secured by and payable from the Trust Estate established for the Series 2020A Certificates pursuant to the Series 2020A Trust Agreement. The Trust Estate for the Series 2020A Certificates 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 Series 2020A Trust Agreement, in accordance with the provisions of the Master Lease and the Series 2020A Trust Agreement, including investment earnings thereon, and any and all monies received by the Trustee pursuant to the Series 1999 Lease Agreement and the Series 2020A Trust Agreement which are not required to be remitted to the Board or the Corporation pursuant to the Master Lease or the Series 2020A Trust Agreement.

The Series 2020B Certificates evidence undivided proportionate interests in the Basic Rent Payments to be made by the Board under the Series 2003B Lease Agreement. The Series 2020B Certificates are secured by and payable from the Trust Estate established for the Series 2020B Certificates pursuant to the Series 2020B Trust Agreement. The Trust Estate for the Series 2020B Certificates consists of, among other things, all estate, right, title, and interest of the Trustee in and to the Basic Rent Payments under the Series 2003B Lease Agreement and all amounts held in the funds and accounts under the Series 2020B Trust Agreement in accordance with the provisions of the Master Lease and the Series 2020B Trust Agreement, including investment earnings thereon, and any and all monies received by the Trustee pursuant to the Series 2003B Lease Agreement and the Series 2020B Trust Agreement which are not required to be remitted to the Board or the Corporation pursuant to the Master Lease or the Series 2020B Trust Agreement.

The owners of the Series 2020 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 with respect to the Series 2020A Certificates, and the Series 2003B Project with respect to the Series 2020B Certificates (in each case, except for Designated Equipment). See "THE REFINANCED PROJECTS" herein. Such portion of the Trust Estate established pursuant to the Series 2020A Trust Agreement which is derived from the sale, re-letting, or other disposition of the Series 1999 Project will be utilized solely for the benefit of the owners of the Series 2020A Certificates. Any cash, securities, or investments in the Series 2020A Pledged Accounts shall be utilized solely for the benefit of the Owners of the Series 2020A Certificates. Such portion of the Trust Estate established pursuant to the Series 2020B Trust Agreement which is derived from the sale, re-letting, or other disposition of the Series 2003B Project will be utilized solely for the benefit of the owners of the Series 2020B Certificates. Any cash, securities, or investments in the Series 2020B Pledged Accounts shall be utilized solely for the benefit of the

Owners of the Series 2020B Certificates. See "SECURITY FOR THE SERIES 2020 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 Series 1999 Lease Agreement and the Series 2003B 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 (as defined herein). There shall be credited against such obligation, moneys, if any, on deposit with the Trustee in certain accounts pledged under the Series 2020A Trust Agreement and the Series 2020B Trust Agreement, as applicable, and from amounts, if any, realized from the exercise of remedies with respect to the respective Refinanced Projects (other than Designated Equipment) by the Trustee on behalf of Series 2020 Certificate Owners. Such Basic Rent is subject to annual appropriation by the Board, and all Leases, including the Series 1999 Lease Agreement and the Series 2003B 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 Refinanced Projects) 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 make 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, the Series 2003B Lease Agreement and the Prior Leases 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 for the Maximum Lease Term thereof (ending June 30, 2029) and the Series 2003B Lease Agreement for the Maximum Lease Term thereof (ending June 30, 2027). 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" includes 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, the Capital Outlay Millage Levy (as defined herein). See "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS" and "OPERATING REVENUE OF THE DISTRICT" herein.

The Board has and may issue additional 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 2020 Certificates. The incurrence of such indebtedness by the Board may adversely affect the Board's ability to pay Basic Rent and Supplemental 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 DISTRICT, HILLSBOROUGH COUNTY, FLORIDA (THE "COUNTY"), THE STATE, NOR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF SHALL BE OBLIGATED TO PAY ANY**

SUMS DUE UNDER THE SERIES 1999 LEASE AGREEMENT AND THE SERIES 2003B 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 SERIES 2003B LEASE AGREEMENT AND THE CONTRACTUAL OBLIGATIONS OF THE BOARD UNDER THE SERIES 1999 LEASE AGREEMENT AND THE SERIES 2003B 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 2020 CERTIFICATES WILL NOT DIRECTLY OR INDIRECTLY OBLIGATE THE BOARD, THE DISTRICT, THE COUNTY, THE STATE, 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 2020 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 MASTER 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 REFINANCED PROJECTS TO THE TRUSTEE.

### **Uniform Commercial Code**

The Series 2020 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 Master 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 Master 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. 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 Master 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 Master 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 2020A accounts and subaccounts, and Series 2020B accounts and subaccounts, as applicable, will be established within the Principal Account, Interest Account and Costs of Issuance Account. No Series 2020 Certificates will be secured by a subaccount in the Reserve Account. See "RISK FACTORS – No Series 2020 Reserve Account" herein.

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 Installments 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 Master 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 Master Trust Agreement, the Master Lease and the applicable Ground Lease; and (3) take possession of the Projects, including the Refinanced Projects (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 Master Trust Agreement for the purposes of (i) providing funds for refunding part or all of the 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 prepayment, (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 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 Certificates to be refunded and the Interest Component of the Basic Rent represented by such Certificates, all as provided in the Master Trust Agreement. The Refunding Certificates shall be secured in the same manner as the Certificates to be refunded in accordance with the terms of the Master Trust Agreement. The Series 2020 Certificates constitute Refunding Certificates under the Master Trust Agreement.

### **Additional Certificates and Other Indebtedness**

Additional Series of Certificates ("Additional Certificates") may be issued under the Master Trust Agreement, in addition to the Series 2020 Certificates and the Prior Certificates, to finance additional Projects under the Master Lease without the consent of the Owners of the Series 2020 Certificates. The number of Series of Certificates that may be created under the Master Trust Agreement is not limited. The aggregate principal amount of each Series of Certificates which may be issued, authenticated and delivered



under the Master 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 2020 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. Other than the Note (as defined herein), there is currently no such indebtedness or other obligations currently outstanding. See "SHORT TERM FINANCING" herein.

### THE MASTER LEASED PROJECTS

That portion of the Refinanced Projects refinanced by the Refunded Certificates will be further 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 and refinanced by the Board under the Master Lease Program are subject to annual appropriation on an all or none basis. Under certain conditions set forth in the Master Lease, the Board may substitute or add components to any of the Prior Projects and the Refinanced Projects and modify the Plans and Specifications thereof. Further, the Series 1999 Lease Agreement and the Series 2003B Lease Agreement provide for the release of components of the Series 1999 Project and the Series 2003B Project, respectively, from the lien of the Series 1999 Lease Agreement and the Series 2003B Lease Agreement if certain requirements are met. See "THE REFINANCED PROJECTS – Substitution and Release of Projects" herein. For a complete description of the facilities see "THE REFINANCED PROJECTS" and "THE PRIOR PROJECTS" herein.

**The District has 35 schools and 48 additions to schools subject to the Master Lease Program. Based on the District's budgeted unweighted full-time equivalent enrollment for the Fiscal Year 2019-20 of approximately 218,593 students, approximately 17.5% of the District's students will attend classes in facilities leased under the Master Lease.** To determine the above percentage, the number of students attending each facility was calculated as follows: for schools that are built and operating, the number of students for the Fiscal Year 2019-20 was used; for the additions, the number of student stations attributable to each specific classroom for Fiscal Year 2019-20 based on the type of school (elementary, middle, or high) or gymnasium, but does not include cafeterias, media centers, and other facilities that do not have any student stations attributable to them. For purposes of the foregoing calculation, the improvements that comprise Designated Equipment were not included. Such attendance levels may change at any time based on an increase or reduction in actual enrollment or further State legislative or constitutional requirements. See "LEGISLATIVE CHANGES AFFECTING DISTRICT REVENUES – Class Size Reduction" for a further description of the current Florida Constitutional requirements related to class size.

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 (other than Designated Equipment) for the duration of their applicable lease terms, including the Refinanced Projects, to the Trustee for the benefit of the Owners of the Certificates which financed or refinanced such Projects.

## THE REFINANCED PROJECTS

### Series 1999 Project

The Series 1999 Project consists of the acquisition, construction, and/or installation of the following educational facilities located in the District. The Series 1999 Project is being partially refinanced with proceeds of the Series 2020A Certificates. All components designated with an asterisk (\*) constitute Designated Equipment.

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	

The Series 1999 Project was approved by the Board in connection with the Board's Capital Improvement Program. Construction was completed on all educational facilities comprising the Series 1999 Project during 2002 through 2006.

The Series 1999 Project includes Designated Equipment which consists of the athletic facilities and all equipment components not constituting fixtures of the educational facilities described above. The Owners of the Series 2020A Certificates will not be granted any interest in Designated Equipment. Approximately 15% of the Series 1999 Project constitutes Designated Equipment.

### Series 2003B Project

The Series 2003B Project consists of the acquisition, construction, and/or installation of the following educational facilities located in the District. The Series 2003B Project is being partially refinanced with proceeds of the Series 2020B Certificates.

Spoto High School	Frost Elementary School
Fishhawk Elementary School	Rampello Downtown Partnership School
Knights Elementary School Classroom Additions*	

The Series 2003B Project was approved by the Board in connection with the Board's Capital Improvement Program. Construction was completed on all educational facilities comprising the Series 2003B Project during 2003 through 2010.

The Series 2003B Project includes Designated Equipment which consists of the classroom additions and all equipment components not constituting fixtures of the educational facilities described above. The Owners of the Series 2020B Certificates will not be granted any interest in Designated Equipment.

### Substitution and Release of Refinanced Projects

Under certain conditions set forth in the Master Lease, the Board may substitute or add components to the Refinanced Projects and modify the Plans and Specifications thereof.

In addition, the Series 1999 Lease Agreement and the Series 2003B Lease Agreement each include provisions that allow for the release of one or more facilities comprising a portion of the Series 1999 Project components and the Series 2003B Project components, respectively, if, after the release of such facility or facilities, the total construction cost of the remaining facilities components comprising the Series 1999 Project or the Series 2003B Project, as applicable, subject to the lien of the Series 1999 Lease Agreement or

Series 2003B Lease Agreement, as applicable, exceeds the remaining principal portion of the Basic Rent Payments payable with respect to such Project under such Lease. Purchase of the Series 2020 Certificates shall constitute consent by each holder of the Series 2020 Certificates to such provisions. Purchasers of the Series 2020 Certificates should carefully review such language in Section 15 of the Series 1999 Lease Agreement and the Series 2003B Lease Agreement, as applicable. See "APPENDIX E:- MASTER LEASE-PURCHASE AGREEMENT, AS AMENDED, AND FORMS OF THE SERIES 1999 LEASE AGREEMENT AND SERIES 2003B LEASE AGREEMENT" for the specific amendments.

#### **THE PRIOR PROJECTS**

The following descriptions of the Prior 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.

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### **Series 1998 Project**

The Series 1998 Project consists of the acquisition, construction, and/or installation of the following educational facilities located in the District.

Springhead Elementary School	Middleton High School (land for site only)
Wilson Elementary School Addition	Westchase Middle School
Media Centers at 15 elementary schools	Baycrest Elementary School Addition
Media Centers and Classrooms at eight elementary schools	Woodbridge Elementary School Addition
Completion of Series 1995 Project	Completion of Blake High School
Riverview High School Addition	Franklin Middle School Addition
Durant High School Addition	Alonso High School Athletic Facility*
Freedom High School Athletic Facility*	Lake Magdalene Addition

### **Series 2000 Project**

The Series 2000 Project consists of the acquisition, construction, and/or installation of the following educational facilities located in the District:

Farnell Middle School	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*

### **Series 2001B Project**

The Series 2001B Project consists of the acquisition, construction, and/or installation of the following educational facilities located in the District:

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 Park Center Food Service/Media Center	Sligh Middle School Gymnasium

### **Series 2002 Project**

The Series 2002 Project consists of the acquisition, construction and/or installation of the following educational facilities located in the District:

Corr Elementary School  
Turner Elementary School  
Nancy Bartels Middle School  
Collins Elementary School  
Middleton High School Athletic Facility\*  
Hammond Elementary School

Just Early Childhood Center  
Stewart Middle School (Classroom additions)  
Woodbridge Elementary School (Classroom additions)  
Sgt. Smith Middle School Completion\*

#### **Series 2004B Project**

The Series 2004B Project consists of the acquisition, construction, and/or installation of the following educational facilities located in the District:

Earl J. Lennard High School  
New parking facility serving Rampello  
Downtown Partnership School

Inez Doby Elementary School  
Ruskin Elementary School Additions\*

#### **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 Series 2004C Project consists of the acquisition, construction, and/or installation of the following educational facilities located in the District:

Earl J. Lennard High School Athletic Facility\*  
Nancy Bartels Middle School  
Summerfield Crossing Elementary School  
Armwood High School Renovations and Remodeling\*  
Steinbrenner High School (also a part of the Series 2006A Project and the Series 2007 Project)

Deer Park Elementary School  
Gary Adult School  
Stowers Elementary School  
Oak Park Elementary School

#### **Series 2005-QZAB Project\***

The Series 2005-QZAB Project consists 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 Series 2006A Project consists of the acquisition, construction, and/or installation of the following educational facilities located in the District:

Steinbrenner High School  
Sgt. Smith Middle School  
Gaither High School Renovations\*

Barrington Middle School  
Reddick Elementary School

### **Series 2007 Project**

The Series 2007 Project consists of the acquisition, construction, and/or installation of the following educational facilities located in the District:

Strawberry Crest High School	Completion of Barrington Middle School
Completion of Steinbrenner High School	Bloomington High School renovations*

### **Series 2010B Project\***

The Series 2010B Project consists of certain renovations to the following educational facilities located in the District:

Marshall Middle School	Mort Elementary School
Brandon High School	Woodbridge Elementary School
Twin Lakes Elementary School	Wilson Elementary School
Forest Hills Elementary School	Temple Terrace Elementary School
Grady Elementary School	Alexander Elementary School
Monroe Middle School	Bellamy Elementary School
Ben Hill Middle School	Broward Elementary School
Shore Elementary School	Chiarmonite Elementary School
Progress Village Middle School	Claywell Elementary School
McLane Middle School	Dickenson Elementary School
Memorial Middle School	Dover Elementary School
Forest Hills Elementary School	Hillsborough High School
Davidson Middle School	Robinson High School
Lincoln Elementary School	Knights Elementary School
South County Career School	Coleman Middle School
Morgan Woods Elem School	Lavoy Center School
Turkey Creek Middle School	Raymond O. Shelton School Administrative Center
Seffner Elementary School	Maintenance Operations
Sligh Middle School	Yates Elementary School
Springhead Elementary School	Van Buren Middle School
Sulphur Springs Elementary School	Hanna Warehouse

All of the components with the Series 2010B Project constitute Designated Equipment for purposes of the Master Lease.

### **Prior Project Designated Equipment**

The Prior Projects include Designated Equipment that consists of the facilities designated with an asterisk (\*), as well as all equipment components not constituting fixtures of the educational facilities described above. Upon the occurrence of an Event of Non-Appropriation or an Event of Default, the Owners of the Prior Certificates will have no rights to the components of the Prior Projects constituting Designated Equipment.

## THE MASTER LEASE PROGRAM

### The Ground Leases

The Board, as Ground Lessor, granted to the Corporation, as Ground Lessee, a leasehold estate in the Series 1999 Project (other than Designated Equipment) and the real estate on which the Series 1999 Project is located (the "Series 1999 Project Lands") pursuant to the Series 1999 Ground Lease. The term of the Series 1999 Ground Lease commenced on the dated date of the Certificates of Participation (School Board of Hillsborough County, Florida Master Lease Program), Series 1999 (the "Series 1999 Certificates") and will terminate on the earlier of (a) the date on which the Series 2020A Certificates and any Refunding Certificates related to the Series 1999 Project have been paid in full or provision for payment of all such Certificates has been made pursuant to Section 12.01 of the Series 1999 Trust Agreement and any Supplemental Rent arising under the Series 1999 Lease Agreement has been paid or provided for, or (b) July 1, 2034 (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 Project Lands shall be used by the Board with respect to the Series 1999 Project. Upon termination of the Master Lease, the rental of the Series 1999 Project Lands 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 2020A Certificates. See "SECURITY FOR THE SERIES 2020 CERTIFICATES – Master-Lease Aspects" herein.

The Board, as Ground Lessor, has also granted to the Corporation, as Ground Lessee, a leasehold estate in the Series 2003B Project (other than Designated Equipment) and the real estate on which the Series 2003B Project is located (the "Series 2003B Project Lands") pursuant to the Series 2003B Ground Lease. The term of the Series 2003B Ground Lease commenced on the dated date of the Certificates of Participation (School Board of Hillsborough County, Florida Master Lease Program), Series 2003B (the "Series 2003B Certificates") and will terminate on the earlier of (a) the date on which the Series 2020B Certificates and any Refunding Certificates related to the Series 2003B Project have been paid in full or provision for payment of all such Certificates has been made pursuant to Section 12.01 of the Series 2003B Trust Agreement and any Supplemental Rent arising under the Series 2003B Lease Agreement has been paid or provided for, or (b) July 1, 2032 (both dates inclusive). So long as no Event of Default or Event of Non-Appropriation under the Series 2003B Lease Agreement has occurred, the Series 2003B Project Lands shall be used by the Board with respect to the Series 2003B Project. Upon termination of the Master Lease, the rental of the Series 2003B Project Lands shall be increased to fair market value in accordance with the terms of the Series 2003B 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 2020B Certificates. See "SECURITY FOR THE SERIES 2020 CERTIFICATES – Master-Lease Aspects" herein.

The foregoing does not attempt to completely summarize the provisions of the Series 1999 Ground Lease or the Series 2003B Ground Lease. See "APPENDIX G: COMPOSITE SERIES 1999 GROUND LEASE AGREEMENT AND COMPOSITE SERIES 2003B GROUND LEASE AGREEMENT" attached hereto for more information regarding the Series 1999 Ground Lease and the Series 2003B Ground Lease.

### The Lease Agreements

The Master Lease provides for the lease-purchase financing by the Board from time to time of various real and/or personal property projects (the "Projects"), including the Prior Projects and the Refinanced Projects, 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 Master 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 (other than Taxable Certificates); provided, however, that once monies are deposited into a specific subaccount under the Master 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 2020 CERTIFICATES" herein.

The Principal Component of the Basic Rent Payments under the Series 1999 Lease Agreement represented by the Series 2020A Certificates is payable in accordance with the debt service schedule set forth herein. The Principal Component of the Basic Rent Payments under the Series 2003B Lease Agreement represented by the Series 2020B Certificates is payable in accordance with the debt service schedule set forth herein. See "COMBINED CERTIFICATE PAYMENT SCHEDULE" herein.

The foregoing does not attempt to completely summarize the provisions of the Master Lease. See "APPENDIX E: MASTER LEASE-PURCHASE AGREEMENT, AS AMENDED, AND FORMS OF THE SERIES 1999 LEASE AGREEMENT AND THE SERIES 2003B 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 2020 Certificates are expected to be applied as follows:

	Series 2020A Certificates	Series 2020B Certificates	Total
<b>Sources of Funds</b>			
Par Amount of Series 2020 Certificates	\$56,700,000.00	\$76,530,000.00	\$133,230,000.00
Plus Original Issue Premium	14,598,252.00	--	14,598,252.00
Other Legally Available Revenues	4,568,965.28	1,334,083.33	5,903,048.61
TOTAL SOURCES	<u>\$75,867,217.28</u>	<u>\$77,864,083.33</u>	<u>\$153,731,300.61</u>
<b>Uses of Funds</b>			
Deposit to the 2010A Escrow Fund	\$75,472,280.33	\$ --	\$75,472,280.33
Deposit to the 2012A Escrow Fund	--	77,394,143.94	77,394,143.94
Deposit to Series 2020A Subaccount of Costs of Issuance Account <sup>(1)</sup>	256,512.45	--	256,512.45
Deposit to Series 2020B Subaccount of Costs of Issuance Account <sup>(1)</sup>	--	289,999.64	289,999.64
Underwriters' Discount	138,424.50	179,939.75	318,364.25
TOTAL USES	<u>\$75,867,217.28</u>	<u>\$77,864,083.33</u>	<u>\$153,731,300.61</u>

<sup>(1)</sup> Includes, without limitation, legal, accounting and financial advisory fees, printing costs, and other costs associated with the issuance of the Series 2020 Certificates.

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## COMBINED CERTIFICATE PAYMENT SCHEDULE

Payment requirements on the Prior Certificates, after the issuance of the Series 2020 Certificates and the redemption of the Refunded Certificates, are as follows:

Year Ending July 1	Series 2004 QZAB Certificates	Series 2005 QZAB Certificates	Series 2010A Certificates <sup>(1)</sup>	Series 2010B Certificates <sup>(2)</sup>	Series 2012A Certificates <sup>(1)</sup>	Series 2014A Certificates	Series 2015A Certificates	Series 2016A Certificates	Series 2017A Certificates	Series 2017B Certificates	Series 2017C Certificates	Series 2018 Certificates
2020	\$ 270,948	\$ 146,612	\$6,166,431	\$ 2,107,500	\$ 3,058,863	\$ 4,259,008	\$ 7,375,144	\$ 5,197,000	\$ 4,702,500	\$ 2,595,750	\$ 25,472,250	\$ 3,195,250
2021		146,612		2,107,500		3,710,824	7,378,894	5,207,500	4,700,000	2,595,750	25,378,250	4,105,250
2022				2,107,500		3,734,288	7,529,644	5,205,500	4,699,250	2,595,750	25,286,500	4,174,750
2023				2,107,500		3,720,064	7,514,644	5,201,250	4,704,750	2,595,750	25,189,500	4,298,500
2024				2,107,500		3,734,048	7,526,394	5,209,500	4,705,750	2,595,750		4,023,500
2025				2,107,500		3,755,472	7,538,144	5,204,250	4,707,000	2,595,750		3,999,250
2026				2,107,500		3,769,080	40,289,394	5,205,750	4,473,000	2,595,750		3,493,750
2027				2,107,500			5,202,644	5,003,250		16,295,750		7,876,000
2028				2,107,500			5,195,494	5,006,500		40,125,750		9,532,750
2029				2,107,500			5,215,025	5,005,250				8,569,250
2030							5,197,025	5,004,250				42,141,750
2031							16,839,525	9,723,000				
<b>Total</b>	<b>\$ 270,948</b>	<b>\$ 293,223</b>	<b>\$6,166,431</b>	<b>\$21,075,000</b>	<b>\$ 3,058,863</b>	<b>\$26,682,784</b>	<b>\$122,801,969</b>	<b>\$66,173,000</b>	<b>\$32,692,250</b>	<b>\$74,591,750</b>	<b>\$101,326,500</b>	<b>\$95,410,000</b>

<sup>(1)</sup> Reflects debt service paid on the Refunded Certificates prior to the issuance of the Series 2020 Certificates.

<sup>(2)</sup> Includes the full value of the interest rate subsidy from the U.S. Treasury in the annual amount of \$2,116,773 with respect to the Series 2010B Certificates, but does not include any sinking fund earnings. Such interest rate subsidy is subject to reduction as a result of the sequestration, and timely payment of such interest rate subsidy requires filing by the District of certain forms with the U.S. Treasury in advance of the applicable interest payment date. For the federal fiscal year ending September 30, 2020, the sequestration rate equals 5.9%. Such amount may change over time. See "RISK FACTORS – Effect of Sequestration on Lease Payments" herein.

Source: The School Board of Hillsborough County, Florida.

[Table continues on following page]

**COMBINED CERTIFICATE PAYMENT SCHEDULE**

(continued from prior page)

Year Ending July 1	Total Combined Payments of Prior Certificates	Series 2020A Certificates			Series 2020B Certificates			Total Combined Payments of Certificates*
		Principal Component	Interest Component	Total Payments	Principal Component	Interest Component*	Total Payments*	
2020	\$ 64,547,256	\$ --	\$ 315,000	\$ 315,000	\$ --	\$ 152,658	\$ 152,658	\$ 65,014,914
2021	55,330,579	--	2,835,000	2,835,000	4,875,000	1,373,923	6,248,923	64,414,502
2022	55,333,182	--	2,835,000	2,835,000	4,935,000	1,312,449	6,247,449	64,415,631
2023	55,331,958	--	2,835,000	2,835,000	5,005,000	1,245,284	6,250,284	64,417,241
2024	29,902,442	--	2,835,000	2,835,000	28,100,000	1,167,556	29,267,556	62,004,998
2025	29,907,366	--	2,835,000	2,835,000	28,610,000	657,541	29,267,541	62,009,907
2026	61,934,224	--	2,835,000	2,835,000	160,000	109,660	269,660	65,038,883
2027	36,485,144	18,360,000	2,835,000	21,195,000	4,845,000	106,154	4,951,154	62,631,298
2028	61,967,994	--	1,917,000	1,917,000	--	--	--	63,884,994
2029	20,897,025	38,340,000	1,917,000	40,257,000	--	--	--	61,154,025
2030	52,343,025	--	--	--	--	--	--	52,343,025
2031	26,562,525	--	--	--	--	--	--	26,562,525
<b>Total</b>	<b>\$550,542,718</b>	<b>\$56,700,000</b>	<b>\$23,994,000</b>	<b>\$80,694,000</b>	<b>\$76,530,000</b>	<b>\$6,125,224</b>	<b>\$82,655,224</b>	<b>\$713,891,943</b>

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\* Totals may not add due to rounding.

Source: The School Board of Hillsborough County, Florida.

## 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 Basic Rent 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 Acting Superintendent of the Board serves as ex-officio Secretary/Treasurer of the Corporation. The original financing of the Series 1994 Project constituted the initial activity of the Corporation. There is no litigation pending against the Corporation that would affect either the issuance of the Series 2020 Certificates or the validity or payment of the Lease Payments under the Series 1999 Lease Agreement and the Series 2003B Lease Agreement.

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 Series 1999 Ground Lease and the Series 2003B Ground Lease, and its right to use, sell, and relet the Refinanced 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 2020 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 statements relating to the sale of any additional Series of Certificates or other obligations of the Board or the Corporation.

## THE 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. For Fiscal Year 2019-20, the District has budgeted for the operation of 248 schools with 218,593 students (unweighted full-time equivalent ("FTE")) and, the employment of approximately 25,000 permanent and temporary employees, of which 14,353 are certified teaching personnel (as of February 29, 2020). 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 "Property Appraiser"). The Hillsborough County Tax Collector (the "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. 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.

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

Name	District	Term Expires
Melissa Snively, Chair	Board District No. 4	November, 2022
Steve Cona III, Vice Chair	Board District No. 1	November, 2020
Lynn L. Gray, Member	Board District No. 7*	November, 2020
Dr. Stacy Hahn, PhD, Member	Board District No. 2	November, 2022
Karen Perez, Member	Board District No. 6*	November, 2022
Tamara P. Shamburger, Member	Board District No. 5	November, 2020
Cindy Stuart, Member	Board District No. 3	November, 2020

\*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 of Schools is Jeff Eakins, who has announced his retirement at the end of his present term on June 30, 2020 and is on leave until such time. The Acting Superintendent of Schools is Addison Davis, who began serving as Acting Superintendent in March 2020 and will serve as the Superintendent commencing July 1, 2020.

Addison Davis, Acting Superintendent, took office as Acting Superintendent in March 2020. Before coming to the District, he served as the Superintendent of Schools for the School District of Clay County, Florida, where he oversaw improvements across many performance metrics and an increase in the district's graduation rate by 6.4%, improving the district from 20<sup>th</sup> in the State for graduation rates to 8<sup>th</sup>. Prior to his time with the School District of Clay County, Florida, Mr. Davis was the Chief of Schools for the Duval County Public School System, which is the nation's 20<sup>th</sup> largest school district, serving over 120,000 students. He worked for Duval County Schools for eighteen years, starting as teacher, moving to an Assistant Principal, Principal, Executive Director of Turnaround, Middle School Cluster Chief and Region Superintendent. Mr. Davis has received numerous awards and recognitions throughout his career, including being named the Sunshine State Public Relations Association's 2019 Superintendent Communicator of the Year and a National School Public Relations Association Superintendent to Watch in 2017-2018. Mr. Davis was born and raised in northeast Florida and holds a master's degree in Educational Leadership from Jacksonville University.

### Administration

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 104 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 approximately \$800 million. 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.

**Employee Relations**

For the Fiscal Year 2019-20, the Board has budgeted to employ approximately 25,000 full- and part-time 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:

Paraprofessionals	June 30, 2021
Clerical	June 30, 2021
Bus Attendants	June 30, 2021
Teachers	June 30, 2022
Custodial, Maintenance and Mechanics	June 30, 2020
Bus Drivers	June 30, 2020

Under Florida law, public employees and public employee organizations may not participate in a strike against a public employer.

**Academics**

For Fiscal Year 2019-20, the District has budgeted to operate 136 elementary schools comprised of students in kindergarten through fifth grade, 42 middle schools comprised of students in the sixth, seventh and eighth grades, nine K-8 schools and 27 high schools comprised of students in ninth through twelfth grades, as well as the vocational programs. In addition, for Fiscal Year 2019-20, the District has budgeted to operate three alternative educational schools, nine special school centers, ten youth centers, four technical colleges, four career centers and four teen parent sites conducted at the various locations within the District. For Fiscal Year 2019-20, there are 52 charter schools that are reported as component units of the District.

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

The 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, for Fiscal Year 2019-20, the District budgeted to operate 47 "magnet programs." Magnet programs operate at the elementary, middle, and high school levels, offering unique educational 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.

### **Budget Process**

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

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**Certain Statistical Information**

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

**Summary of Statistical Data  
Ten Year History**

School Year	Number of Schools	Number of Instructors	FTE Enrollment <sup>(1)</sup>	Average Expenditure per FTE Student <sup>(2)</sup>
2018-19	248	14,725	212,537	\$10,871
2017-18	245	15,108	211,959	11,689
2016-17	245	15,466	212,038	10,760
2015-16	244	15,441	209,414	10,410
2014-15	243	15,704	204,089	10,554
2013-14	244	15,787	201,300	10,291
2012-13	244	15,638	196,659	9,773
2011-12	244	15,477	195,198	9,823
2010-11	244	15,217	192,499	10,234
2009-10	244	15,048	190,799	10,069

<sup>(1)</sup> K-12 full-time equivalent enrollment.

<sup>(2)</sup> Expenditures include Government-wide Governmental Activities.

*Sources: Comprehensive Annual Financial Reports of the School District of Hillsborough County, Florida for the Fiscal Year ended June 30, 2019.*

The final FTE enrollment for the School Year 2018-19, and the estimated FTE enrollment for School Years 2019-20 through 2024-25 is as follows:

School Year	FTE Enrollment
2018-19	212,537
2019-20*	218,593
2020-21	223,019
2021-22	227,790
2022-23	231,137
2023-24	234,231
2024-25	236,193

\* Adjusted through Florida Education Finance Program (FEFP) third calculation for Fiscal Year 2019-20.

*Source: State of Florida Office of Economic & Demographic Research, Conference Report for Pre-K-12 Enrollment Florida School District Programs Unweighted Full-Time Equivalent (FTE) Student Enrollment, February 17, 2020.*

## FINANCIAL RESULTS AND LIABILITIES OF THE DISTRICT

The following briefly describes financial results of the District and certain District liabilities. For additional information concerning such matters, see "APPENDIX B: COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA FOR THE FISCAL YEAR ENDED JUNE 30, 2019."

### 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, 2019 is attached hereto as part of "APPENDIX B: COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA FOR THE FISCAL YEAR ENDED JUNE 30, 2019" 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.

Special Revenue Funds – to account for funds from the State or Federal Government which are restricted for Federal programs.

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

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

Other Capital Projects Funds – accounts for and reports on other miscellaneous funds from various sources, including Certificates of Participation.

### **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 Funds – 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.

### **Auditing System**

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

### **General Fund Operations**

The following table summarizes results of operations for the general fund of the District for the Fiscal Years ended June 30, 2015 through June 30, 2019 (audited) and the budgeted figures for the Fiscal Year ending June 30, 2020.

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**Summary of Revenues and Expenses - General Fund**  
**(in thousands, Fiscal Years ended June 30)\***

	Audited					Final
	2015	2016	2017	2018	2019	Budget 2020
<b>Revenues</b>						
Federal	\$ 2,692	\$ 2,704	\$ 3,404	\$ 3,116	\$ 3,463	\$ 3,678
Federal through State	9,736	11,441	9,382	6,209	8,194	7,000
State Sources	1,032,116	1,068,523	1,077,890	1,121,257	1,131,254	1,204,617
Local	502,129	528,624	526,174	540,103	564,087	579,133
<b>Total Revenues</b>	<b>\$1,546,673</b>	<b>\$1,611,292</b>	<b>\$1,616,850</b>	<b>\$1,670,686</b>	<b>\$1,706,998</b>	<b>\$1,794,428</b>
<b>Expenditures</b>						
Current - Education:						
Instruction	\$1,092,452	\$1,099,423	\$1,126,237	\$1,153,565	\$1,190,414	\$1,274,543
Pupil Personnel	64,251	64,902	66,023	68,838	76,131	83,193
Instructional Media	52,087	51,544	54,057	53,206	57,353	66,375
Instruction & Curriculum						
Development	30,467	29,235	26,591	24,072	23,940	22,960
Instructional Staff Training	27,099	24,681	19,481	19,852	17,557	19,308
Board of Education	1,644	2,563	1,594	3,982	2,439	2,307
General Administration	6,125	6,956	7,090	7,200	6,374	6,115
School Administration	100,321	101,467	103,463	102,022	104,858	103,870
Fiscal Services	6,949	6,378	6,362	5,765	6,245	6,551
Food Services	537	401	269	402	1,276	1,182
Central Services	38,192	40,932	23,121	20,610	21,240	20,015
Pupil Transportation	73,169	62,855	65,600	65,702	68,474	58,862
Operation of Plant	111,041	109,875	114,786	117,817	127,480	114,878
Maintenance of Plant	27,239	26,909	27,463	26,876	29,519	29,128
Community Services and Other	44,154	46,934	20,756	19,563	19,916	24,750
Facilities Acquisition and						
Construction	1,324	1,082	1,664	2,838	2,866	4,126
Capital Outlay:						
Facilities Acquisition and						
Construction	209	145	22	182	1,132	--
Other Capital Outlay	2,791	3,761	2,119	3,225	3,821	--
<b>Total Expenditures &amp; Other Uses</b>	<b>\$1,680,051</b>	<b>\$1,680,043</b>	<b>\$1,666,698</b>	<b>\$1,696,048</b>	<b>\$1,761,035</b>	<b>\$1,838,163</b>
<b>Other Financing Sources (Uses)</b>						
Transfers In <sup>(1)</sup>	55,039	68,829	47,547	34,303	61,157	46,478
Transfers Out	(5,270)	(26)	(3,221)	(3,511)	(2,805)	(2,235)
<b>Ending Fund Balance</b>						
Nonspendable	5,064	4,253	4,754	4,458	4,665	4,115
Restricted	22,309	24,829	34,199	31,805	38,599	28,305
Assigned	20,609	17,940	2,768	9,877	6,923	10,796
Unassigned	98,041	99,053	99,053	100,053	100,331	107,810
<b>TOTAL ENDING FUND BALANCE</b>	<b>\$ 146,023</b>	<b>\$ 146,075</b>	<b>\$ 140,774</b>	<b>\$ 146,203</b>	<b>\$ 150,518</b>	<b>\$ 151,026</b>

\* Totals may not add due to rounding.

<sup>(1)</sup> Transfers in during Fiscal Years 2015-16 through 2018-19 included amounts to cover certain capital outlay expenses that were funded out of the General Fund; the amount of such transfers was determined by the nature and amount of capital projects funded out of the General Fund in a given year. Similar transfers are budgeted for Fiscal Year 2019-20.

Sources: Comprehensive Annual Financial Reports of the School District of Hillsborough County, Florida for the Fiscal Years ended June 30, 2015 through June 30, 2019; School District of Hillsborough County, Florida Final Budget for Fiscal Year ending June 30, 2020.

## Required General Fund Balance

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

The table below shows the assigned and unassigned fund ending balances and percentage of General Fund revenues for the Fiscal Years 2014-15 through 2019-20:

### Assigned and Unassigned Fund Balance for the District's General Fund (in thousands, Fiscal Years ended June 30)

Fiscal Year Ended June 30	Assigned and Unassigned General Fund Ending Balance	Percentage of General Fund Revenues
2015	\$118,650	7.67%
2016	116,993	7.26
2017	101,821 <sup>(1)</sup>	6.30
2018	109,940 <sup>(2)</sup>	6.58
2019	107,254	6.28
2020 <sup>(3)</sup>	118,606 <sup>(4)</sup>	6.61

<sup>(1)</sup> The decrease in the general fund balance in Fiscal Year 2016-17 was due in part to: State-wide reduction in funds due to recalibration of enrollment; a decrease in State funding for the capital projects funds and capital outlay maintenance; and requirement of an additional hour of intensive reading instruction beyond the normal school day for all students at school low performing elementary schools.

<sup>(2)</sup> The increase in the general fund balance in Fiscal Year 2017-18 was primarily due to a District-wide initiative to reduce expenditures and maintain consistent staffing formulas to align workforce with student needs.

<sup>(3)</sup> Budgeted figures.

<sup>(4)</sup> The budgeted increase in the general fund balance in Fiscal Year 2019-20 is primarily due to staff reduction.

Sources: *Comprehensive Annual Financial Reports of the School District of Hillsborough County, Florida for the Fiscal Years ended June 30, 2015 through June 30, 2019.*

On June 29, 2016, the School Board voluntarily amended its fiscal planning policies to require maintaining two separate reserves within the unassigned fund balance. The first reserve is identified as the budget stabilization reserve, which will be maintained in an amount equal to least 5%, but no more than 10%, of the District's general fund operating revenues for each fiscal year. In order to access the budget stabilization reserve, the Superintendent must declare a financial emergency through a specific agenda

item at a business meeting of the Board. The agenda item must state the circumstances requiring the use of these funds and include a schedule to restore the balance to at least the levels existing prior to the use of such reserve. The restoration must begin no later than the second fiscal year after the funds were expended and must be completed no later than five years after the restoration commences.

The second reserve is identified as an operating fund reserve, which will be maintained in an amount equal to at least 3% of projected general fund revenues. Revenue in the operating fund reserve may be available for use in Board approved budget amendments as necessary to provide for the effective operation of the District. Any budget amendment that reduces the operating fund reserve shall include an explanation of the need for the use of those funds. If funds from the operating budget reserve are used to pay for expenses, they will be considered non-recurring revenues, and if funds are used for recurring expenses, the budget amendment will include the measures that will be taken to ensure that those recurring expenses are paid with recurring revenues in subsequent fiscal years. If conditions prevent such an operating fund reserve, an explanation of the extraordinary circumstances requiring such a recommendation shall accompany the materials proposing the budget.

For Fiscal Year 2018-19, the budget stabilization reserve was \$107,481,968 or 6% of total general fund operating revenues. For Fiscal Year 2019-20, the Board budgeted for the full funding of the budget stabilization reserve and is currently in the process of determining how best to fund the operating fund reserve. Since Fiscal Year 2014-15, the Board has created savings through energy efficiency, spending reductions, government reimbursements, transportation efficiency, selling real estate, revamping systems, renegotiating contracts, and reducing positions. The Board expects to continue researching and refining its expenses in future years, which may include strategies for cost avoidance and structural balance and a review of filled vacant positions.

### **Capital Project Funds Operations**

The following table summarizes results of operations for the capital project funds of the District for the Fiscal Years ended June 30, 2015 through June 30, 2019 (audited) and the budgeted figures for the Fiscal Year ending June 30, 2020.

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**Summary of Revenues and Expenses - Capital Projects Funds**  
**(in thousands, Fiscal Years ended June 30)\***

	Audited					Final Budget
	2015	2016	2017	2018	2019	2020
<b>Revenue</b>						
State Sources	\$ 9,676	\$ 7,795	\$ 11,722	\$ 9,361	\$ 24,320	\$ 18,054
Local Sources	134,891	157,438	169,874	183,317	271,822	332,207
<b>Total Revenues</b>	<b>\$144,567</b>	<b>\$165,233</b>	<b>\$181,596</b>	<b>\$192,678</b>	<b>\$296,142</b>	<b>\$350,261</b>
<b>Expenditures</b>						
Current Education:						
Facilities Acquisition and Construction	\$ 29,749	\$ 39,984	\$ 26,392	-	\$ 52,190	-
Debt Service						
Dues, fees and other	4	6	6	6	8	-
Capital Outlay:						
Facilities Acquisition and Construction	69,218	65,554	61,880	69,565	97,964	-
<b>Total Expenditures</b>	<b>\$98,971</b>	<b>\$105,544</b>	<b>\$88,278</b>	<b>\$69,571</b>	<b>\$150,162</b>	<b>\$249,432</b>
<b>Excess (Deficiency) Revenues Over Expenditures</b>	45,596	59,689	93,318	123,106	145,980	100,829
<b>Other Financing Sources (Uses)</b>						
Transfers Out	(78,819)	(109,513)	(108,626)	(98,908)	(122,092)	(112,007)
Transfers In	-	-	27,369	12,242	1,978	-
Long Term Bonds Issued	3,282	-	19,746	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>\$(75,537)</b>	<b>\$(109,513)</b>	<b>\$(61,511)</b>	<b>\$(86,666)</b>	<b>\$(120,114)</b>	<b>\$(112,007)</b>
<b>Excess (Deficit) of Revenues and Other Sources over Expenditures &amp; Other Uses</b>	<b>\$(29,941)</b>	<b>\$(49,824)</b>	<b>\$31,807</b>	<b>\$36,440</b>	<b>\$25,866</b>	<b>\$(11,178)</b>
Beginning Fund Balance	168,287	138,346	88,522	120,329	156,770	182,636
Fund Balance at End of Year	<b>\$138,346</b>	<b>\$88,522</b>	<b>\$120,329</b>	<b>\$156,770</b>	<b>\$182,636</b>	<b>\$171,458</b>

\* Totals may not add due to rounding.

(1)

Sources: Comprehensive Annual Financial Reports of the School District of Hillsborough County, Florida for the Fiscal Years ended June 30, 2015 through June 30, 2019; School District of Hillsborough County, Florida Final Budget for Fiscal Year ending June 30, 2020.

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## Long-Term Debt

The following tables detail the outstanding indebtedness of the District.

### Debt Statement as of June 30, 2019

<b>DIRECT AND OVERLAPPING DEBT<sup>(1)</sup></b>	<u>General Obligation Debt</u>	<u>Non-Self Supporting Debt</u>	<u>Self- Supporting Debt</u>
<b>DIRECT DEBT OF DISTRICT</b>			
State of Florida <sup>(2)</sup> :			
Series 2010-A		\$2,245,000	
Series 2011-A		845,000	
Series 2014-A		1,512,000	
Series 2014-B		501,000	
Series 2017-A		4,777,000	
Series 2019		392,000	
District Bonds:			
Series 2015 Capital Improvement & Racetrack Revenue, Refunding			\$4,835,000
Series 2015A Sales Tax, Refunding			13,720,000
Series 2015B Sales Tax, Refunding			65,195,000
Series 2017A Sales Tax, Refunding <sup>(3)</sup>			65,490,000
<b>Total Direct Debt</b>		<u>\$10,272,000</u>	<u>\$149,240,000</u>
<b>OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT</b>			
Board of County Commissioners:			
General Obligation Bonded Debt <sup>(3)</sup>	<u>\$55,440,000</u>		
<b>Total Overlapping Debt</b>	<u>\$55,440,000</u>		
<b>TOTAL DIRECT AND OVERLAPPING DEBT</b>	<u>\$55,440,000</u>	<u>\$10,272,000</u>	<u>\$149,240,000</u>

<sup>(1)</sup> Omits Certificates of Participation. See "INTRODUCTION" and "COMBINED CERTIFICATE PAYMENT SCHEDULE FOR CERTIFICATES" herein for a description of outstanding Certificates of Participation.

<sup>(2)</sup> See "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS – State Sources – Capital Outlay Bonds" herein for a description of the funding sources for these bonds.

<sup>(3)</sup> Constitutes total county-wide debt payable from ad valorem tax revenues as of September 30, 2018.

Sources: Florida Department of Education Superintendent's Annual Finance Report (ESE 145) District School Board of Hillsborough County for the Fiscal Year ended June 30, 2019.

**Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years**

Fiscal Year	State Board of Education Bonds	Certificates of Participation	District Revenue Bonds	Premiums/ (Discounts)/ (Loss on Refunding) <sup>(1)</sup>	Total Primary Government	Personal Income <sup>(2)(3)</sup>	Percentage of Personal Income	Population <sup>(3)</sup>	Per Capita
2019	\$10,272,000	\$623,613,000	\$149,240,000	\$57,940,612	\$841,065,612	\$62,695,256	1.342%	1,436,888	\$585.34
2018	12,300,000	667,808,000	165,135,000	55,353,516	900,596,516	60,283,900	1.494	1,410,115	638.67
2017	17,706,000	703,863,000	178,148,000	48,619,533	948,933,533	58,596,262	1.619	1,376,238	689.51
2016	23,525,000	740,903,000	172,100,000	48,399,974	1,008,565,353	55,155,924	1.789	1,325,563	743.03
2015	28,405,000	797,863,000	191,935,000	25,973,656	1,044,176,656	52,541,062	1.987	1,301,887	802.05
2014	34,641,000	827,508,000	198,469,861	28,191,208	1,088,810,069	51,109,828	2.130	1,291,578	843.01
2013	39,960,000	855,283,000	209,448,592	4,845,256	1,109,536,848	49,671,035	2.234	1,277,746	868.35
2012	46,620,000	881,518,000	220,082,159	5,084,377	1,153,304,536	45,473,079	2.536	1,246,480	925.25
2011	50,570,000	925,971,000	230,290,971	(3,561,048)	1,203,270,923	45,511,155	2.644	1,238,890	971.25
2010	50,735,000	912,061,000	240,101,621	(3,584,929)	1,199,312,692	45,779,076	2.620	1,229,226	975.66

<sup>(1)</sup> Effective in 2014, only premiums and discounts are part of the debt totals. Loss on refunding has been moved to deferred outflows due to the implementation of GASB Statement 65. Prior year amounts were not restated.

<sup>(2)</sup> Personal income expressed in thousands.

<sup>(3)</sup> Estimates of population and personal income were obtained from the United States Department of Commerce and the City-County Planning Commission.

Sources: For Fiscal Years 2009-10 through 2018-19, Comprehensive Annual Financial Report of the School District of Hillsborough County, Florida for the Fiscal Year ended June 30, 2019.

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**Direct and Overlapping Governmental Activities Debt**  
**June 30, 2019**

Jurisdiction	General Obligation Bonded Debt Outstanding	State Board of Education Bonds	Certificates of Participation	District Revenue Bonds	Premiums/ (Discounts)	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	\$55,440,000	-	-	-	-	0%	-	100%	\$55,440,000
-47- School District of Hillsborough County	-	\$10,272,000	\$623,613,000	\$149,240,000	\$57,940,612	100%	\$841,065,612	100%	\$841,065,612
Totals	\$55,440,000	\$10,272,000	\$623,613,000	\$149,240,000	\$57,940,612		\$841,065,612		\$896,505,612

Source: The School Board of Hillsborough County, Florida.

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## The Florida Retirement System

General Information about the FRS. All regular employees of the District are covered by the Florida Retirement System (the "FRS"). The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined benefit pension plan (the "FRS Plan"), a Deferred Retirement Option Program (the "DROP"), and a defined contribution plan, referred to as the Public Employee Optional Retirement Program (the "FRS Investment Plan").

Essentially all regular employees of participating employers are eligible and must enroll as members of the FRS Plan. Employees in the FRS Plan vest at six years of service if enrolled in the plan prior to July 1, 2011. Enrollment after July 1, 2011 requires eight years of service to vest. All vested members are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. For enrollees prior to July 1, 2011, pension plan benefit payments are based on the member's highest 5-year average annual salary (average final compensation) times the number of years of service. Enrollees after July 1, 2011 have benefit payments based on the member's highest eight year average annual salary. The annual final compensation (regardless of whether it is the highest five or highest eight) is multiplied by a percentage ranging from 1.60% at either 62 or with 30 years of service to 1.68% at age 65 or with 33 years of service. Members are eligible for early retirement after six years of service, however, normal benefits are reduced by 5% for each year a member retires before age 62. As described herein, the District administers a single-employer retirement program that under certain conditions covers the difference in benefits between normal and early retirement.

The FRS 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.

The DROP was established effective July 1, 1998. It permits employees eligible for normal retirement under the FRS Plan to defer receipt of monthly benefit payments while continuing employment with a FRS 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 FRS Trust Fund and accrue interest.

Eligible FRS members may elect to participate in the FRS Investment Plan in lieu of the FRS Plan. District employees participating in the DROP are not eligible to participate in the FRS Investment Plan. The FRS Investment Plan is funded by employer contributions that are based on salary and membership class (Regular, Elected County Officers, etc.) Contributions are directed to individual member accounts, and the ultimate benefit depends in part on the performance of investment funds chosen. Employees in the FRS Investment Plan vest after one year of service.

The benefit provisions and all other requirements of the FRS Plan are established by Florida Statutes. The contribution rates for the FRS Plan are established, and may be amended, by the State. As of June 30, 2018 the contribution rates were as follows:

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	Percent of Gross Salary	
	Employee	Employer <sup>(1)</sup>
Florida Retirement System, Regular	3.00	8.26
Florida Retirement System, Elected County Officers	3.00	48.70
Florida Retirement System, Senior Management Service	3.00	24.06
Florida Retirement System, Special Risk	3.00	24.50
Teachers' Retirement System, Plan E	6.25	11.90
Florida Retirement System, Reemployed Retiree	N/A	5.16
DROP	N/A	14.03

<sup>(1)</sup> Employer rates include the post-retirement health insurance supplement, which remained the same from the prior fiscal year. As of July 1, 2018, this amount totaled 1.66%.

*Source: Florida Department of Education Superintendent's Annual Finance Report (ESE 145) District School Board of Hillsborough County for the Fiscal Year ended June 30, 2019.*

The District's liability for participation in the FRS 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 FRS Plan, net of employee contributions, for Fiscal Year 2019-20, totaled \$71,543,364. This represented a percentage of covered payroll of 7.11%, and is equal to the required contributions for the fiscal year. Effective July 1, 2011, all members of FRS, except for DROP participants and reemployed retirees who are not eligible for renewed membership, are required to contribute 3 percent of their compensation to FRS. Amounts collected by the District, and remitted to the Plan, for employee contributions are not considered employer contributions by the FRS Plan. These amounts are equal to the required contributions for each fiscal year. Effective July 1, 2011, all members of FRS, except for the DROP participants and reemployed retirees who are not eligible for renewed membership, are required to contribute 3% of their compensation to FRS.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the FRS Plan. At June 30, 2019, the District reported a liability of \$706,561,721 for its proportionate share of the FRS Plan net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The District's proportionate share of the net pension liability was based on a projection of the District's long term share of contributions to the pension plan relative to the projected contributions during the Fiscal Year ended June 30, 2018. At June 30, 2018, the District's proportionate share was 2.36%, which was a decrease of 0.11% from its proportionate share of 2.47% measured as of June 30, 2017.

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	2015	2016	2017	2018	2019
District's proportion of the FRS net pension liability	2.68%	2.76%	2.54%	2.47%	2.36%
District's proportionate share of the FRS net pension liability	\$163,260	\$356,916	\$964,676	\$729,291	\$706,562
District's covered employee payroll	\$930,149	\$985,387	\$988,184	\$985,656	\$946,041
District's proportionate share of the FRS net pension liability as a percentage of its covered employee payroll	17.55%	36.22%	97.62%	73.99%	74.69%
FRS Pension Plan fiduciary net position as a percentage of total pension liability	96.09%	92.00%	84.88%	83.89%	84.26%

Note: Numbers rounded to the nearest thousand.

Source: *The School Board of Hillsborough County, Florida.*

For the year ended June 30, 2019, the District recognized pension expense of \$107,570,534 for the FRS Plan. At June 30, 2019, the District reported deferred outflows of resources of \$359,491,234 and deferred inflows of resources of \$145,049,381 related to pensions for the FRS Plan. The deferred outflows of resources related to pensions totaling \$71,543,364 resulting from District contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflow of resources related to pensions will be recognized in pension expense in subsequent Fiscal Years. See "APPENDIX B: COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA FOR THE FISCAL YEAR ENDED JUNE 30, 2019."

FRS Plan Actuarial Assumptions. The total pension liability for the FRS Plan was determined by an actuarial valuation as of the valuation date calculated on the assumptions listed below:

Valuation date:	July 1, 2018
Measurement date:	June 30, 2018
Discount rate:	7.00%
Long-term expected rate of return, net of investment expense:	7.00%
Inflation:	2.60%
Salary increases, including inflation:	3.25%
Mortality:	Generational RP-2000 with Projection Scale BB
Actuarial cost method:	Entry Age

The actuarial assumptions that determined the total pension liability of the FRS Plan as of June 30, 2018, were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

Discount Rate Related to the FRS Plan. The discount rate used to measure the total pension liability for the FRS Plan was 7.00% and is based on a projection of cash flows that assumed that employee contributions will be made at the current contribution rate and that contributions from participating members will be made at statutorily required rates, actuarially determined. Based on those assumptions, the FRS Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The following presents the District's proportionate share of the net pension liability of the FRS Plan calculated using the discount rate of 7.00%. Also presented is what the District's proportionate share of the FRS Plan net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the FRS Plan net pension liability	\$1,289,505	\$706,562	\$222,393

*Source: Florida Department of Education Superintendent's Annual Finance Report (ESE 145) District School Board of Hillsborough County for the Fiscal Year ended June 30, 2019.*

### **The Health Insurance Subsidy**

General Information about the Health Insurance Subsidy. The Health Insurance Subsidy (the "HIS Pension Plan") is a cost-sharing multiple-employer defined benefit pension plan established to provide a monthly subsidy payment to retired members of any state-administered retirement system, or beneficiary entitled to receive benefits.

The benefit of the HIS Pension Plan is a monthly payment to assist retirees in paying their health insurance costs. This plan is administered by the Department of Management Services within the Florida Retirement System. HIS benefits are not guaranteed and are subject to annual legislative appropriation.

For Fiscal Year ended June 30, 2019, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$5. The payments are at a minimum of \$30 but not more than \$150 monthly per Section 112.363, Florida Statutes.

The HIS Pension Plan is funded by required contributions from FRS participating employers. The funds are deposited in a separate trust fund and consequently paid from that trust fund. Employer contributions are a percentage of gross compensation for all FRS members. For the Fiscal Year ended June 30, 2018, the contribution rate was 1.66% of payroll per Florida Statutes 112.363. Employees do not contribute to this plan. The District's contributions to the HIS Pension Plan totaled \$18,398 for the Fiscal Year ended June 30, 2019.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the HIS Pension Plan. At June 30, 2019, the District reported a liability of \$359,853 for its proportional share of the HIS Pension Plan net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The District's proportionate share of the net pension liability

was based on a projection of the District's long term share of contributions to the pension plan relative to the projected contributions during the Fiscal Year ended June 30, 2019. At June 30, 2019, the District's proportionate share was 3.40%, which was a decrease of 5.56% from its proportionate share of 3.60% measured as of June 30, 2018.

	2015	2016	2017	2018	2019
District's proportion of the HIS net pension liability	3.58%	3.74%	3.71%	3.60%	3.40%
District's proportionate share of the HIS net pension liability	\$334,898	\$381,345	\$432,150	\$385,423	\$359,853
District's covered employee payroll	\$1,064,283	\$1,134,992	\$1,145,024	\$1,149,179	\$1,110,759
District's proportionate share of the HIS net pension liability as a percentage of its covered employee payroll	31.47%	33.60%	37.74%	33.54%	32.40%
HIS Pension Plan fiduciary net position as a percentage of total pension liability	0.99%	0.50%	0.97%	1.64%	2.15%

Note: Numbers rounded to the nearest thousand.

Source: *The School Board of Hillsborough County, Florida.*

For the year ended June 30, 2019, the District recognized pension expense of \$25,794 for the HIS Pension Plan. At June 30, 2019, the District reported deferred outflows of resources of \$74,300 and deferred inflows of resources of \$65,577 related to pensions for the HIS Pension Plan. The deferred outflows of resources related to pensions totaling \$18,398 resulting from District contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflow of resources related to pensions will be recognized in pension expense in subsequent Fiscal Years. See "APPENDIX B: COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA FOR THE FISCAL YEAR ENDED JUNE 30, 2019."

HIS Pension Plan Actuarial Assumptions. The total pension liability for the HIS Pension Plan was determined by an actuarial valuation as of the valuation date calculated on the assumptions listed below:

Valuation date:	July 1, 2018
Measurement date:	June 30, 2018
Discount rate:	3.87%
Long-term expected rate of return, net of investment expense:	N/A
Inflation:	2.60%
Salary increases, including inflation:	3.25%
Mortality:	Generational RP-2000 with Projection Scale BB
Actuarial cost method:	Entry Age



The actuarial assumptions that determined the total pension liability of the HIS Pension Plan as of June 30, 2018, were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013. The only changes from the prior actuarial valuation were the discount rate and long-term expected rate of return. The discount rate and long-term expected rate of return, net of investment expense increased from 3.58% to 3.87%.

Long-term Expected Rate of Return. Because the HIS pension Plan is funded on a pay-as-you-go basis funding structure, a municipal bond rate of 3.80% was used to determine the total pension liability for the program.

Discount Rate of the HIS Pension Plan. Because the HIS Pension Plan uses a pay-as-you-go funding structure, a municipal bond rate of 3.87% was used to determine the total pension liability for the program. The following presents the District's proportionate share of the net pension liability of the HIS Pension Plan calculated using the discount rate of 3.87%. Also presented is what the District's proportionate share of the HIS Pension Plan net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87%) or 1-percentage-point higher (4.87%) than the current rate:

	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
District's proportionate share of the HIS Pension Plan net pension liability	\$409,851	\$359,853	\$318,176

*Source: Florida Department of Education Superintendent's Annual Finance Report (ESE 145) District School Board of Hillsborough County for the Fiscal Year ended June 30, 2019.*

**Early Retirement Program**

Plan Description and Provisions. As authorized by Section 1012.685, Florida Statutes, the Board implemented an Early Retirement Plan (the "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 FRS 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 Board entered into an agreement with Wells Fargo Bank, N.A., as successor bank (the "Bank"), designating it as the Investment Manager and Custodian for the Plan assets. The Agreement also provides that monthly benefits be paid by the Bank.

Based on an actuarial report as of June 30, 2019, there were 502 retirees and beneficiaries currently receiving benefits under the Plan. There are no longer any active participants in the Plan.

Eligibility. A member of the Plan was 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 FRS. The Board approved to eliminate new participants to the Early Retirement Program on June 30, 2008. Certain employees were eligible to enter the plan before July 1, 2010. As of July 1, 2010, the Plan is closed to new participants.

Benefits. The amount of the monthly benefit will be equal to the reduction imposed on the retirement benefit by the FRS due to early retirement. The benefit amount will be based on the initial benefit

amount determined by the FRS prior to any cost-of-living adjustments and once established will remain unchanged, unless a specific increase is authorized by the Board.

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, based on quoted market prices, for financial statement purposes. Separate Statements are not issued for the Plan.

Contributions. Pursuant to the Plan Agreement, no contribution shall be required or permitted from any member. The District's annual contribution to the pension trust is determined through the budgetary process and with reference to actuarial determined contributions. The Board establishes rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The contribution is designed to accumulate sufficient assets to pay benefits when due. As of June 30, 2019, the actuarial study shows a deficit of \$12,583 in accordance with GASB 68. Total contributions to the Plan in Fiscal Year 2019 amounted to \$1,195.

Fiscal Year ended June 30	Actuarial Determined Contribution	Annual Actual Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contribution as a Percentage of Covered Employee Payroll
2010	\$2,252	\$2,451	\$(199)	\$22,677	10.81%
2011	1,317	1,764	(447)	N/A	N/A
2012	1,342	880	462	N/A	N/A
2013	1,382	1,383	(1)	N/A	N/A
2014	1,403	1,401	2	N/A	N/A
2015	1,095	1,411	(315)	N/A	N/A
2016	1,054	1,115	(61)	N/A	N/A
2017	1,147	1,185	(38)	N/A	N/A
2018	1,150	1,170	(19)	N/A	N/A
2019	1,170	1,195	(25)	N/A	N/A

Note: Numbers rounded to the nearest thousand.

Sources: For Fiscal Years 2009-10 through 2018-19, Comprehensive Annual Financial Report of the School District of Hillsborough County, Florida for the Fiscal Year ended June 30, 2019.

Net Pension Liability. In Fiscal Year 2018-19, the net pension liability decreased by \$1,655 for a liability in the amount of \$12,582,689. This net pension liability was added as a long term liability on the Statement of Net Position in the Government-wide Financial Statements. The computation of the total pension liability for Fiscal Year 2018-19 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.

Total Pension Liability	\$22,564,916
Plan Fiduciary Net Position	<u>9,982,227</u>
District's Net Pension Liability	<u>\$12,582,689</u>

Plan Fiduciary Net Position as of Percentage of the Total Pension Liability	44.24%
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*Source: Comprehensive Annual Financial Report of the School District of Hillsborough County, Florida for the Fiscal Year ended June 30, 2019 and Florida Department of Education Superintendent's Annual Finance Report (ESE 145) District School Board of Hillsborough County for the Fiscal Year ended June 30, 2019.*

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The District's change in net pension liability and related ratios for the Plan is as follows:

	2014-15	2015-16	2016-17	2017-18	2018-19
Total Pension Liability					
Service cost	-	-	-	-	-
Interest	\$ 855	\$ 891	\$ 654	\$ 621	\$ 591
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual	(9)	(89)	(78)	45	(243)
Changes of assumptions	2,180	1,846	-	-	(506)
Benefit payments, including refunds of contributions	(2,031)	(1,959)	(1,932)	(1,892)	(1,837)
Net change in pension liability	995	689	(1,356)	(1,226)	(1,995)
Total pension liability (beginning)	25,457	26,452	27,141	\$25,786	24,560
Total pension liability (ending) (a)	\$26,452	\$27,141	\$25,785	\$24,560	\$22,565
Plan Fiduciary Net Position					
Contributions – employer	\$1,410	\$1,115	\$1,185	\$1,170	\$1,195
Contributions – member	-	-	-	-	-
Net investment income	122	260	(11)	21	340
Benefit payment, including refunds of contributions	(2,031)	(1,959)	(1,932)	(1,892)	(1,838)
Administrative expense	(44)	(42)	(41)	(11)	(37)
Other	-	-	-	-	-
Net change in plan fiduciary net position	(543)	(626)	(799)	(712)	(340)
Plan fiduciary net position (beginning)	13,002	12,459	11,833	11,034	10,322
Plan fiduciary net position (ending) (b)	\$12,458	\$11,833	\$11,034	\$10,322	\$9,982
Net Pension Liability (asset) – ending ((a)-(b))	\$13,993	\$15,308	\$14,751	\$14,238	\$12,583
Plan fiduciary net position as a percentage of total pension liability	47.10%	43.60%	42.79%	42.03%	44.24%

Note: Numbers rounded to the nearest thousand.

Sources: For Fiscal Years 2014-15 through 2018-19, Comprehensive Annual Financial Report of the School District of Hillsborough County, Florida for the Fiscal Year ended June 30, 2019.

Actuarial Information. Significant assumptions and other inputs used to measure the annual required contribution are:

Valuation Date	July 1, 2018
Measurement Date	June 30, 2018
Actuarial Cost Method	Aggregate
Asset Valuation Method	Market value
Actuarial Assumptions:	
Investment Rate of Return	2.75%
Projected Salary Increases	0%
Rate of Inflation Adjustment	2.5%

Mortality rates were based on the employees and healthy annuitant projected generationally using scale MP-2018. Disabled retirees were projected using scale MP-2018.

Discount Rate. The discount rate used to measure the total pension liability was 2.75%. The projection of cash flows used to determine the discount rate assumed that the District's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payment of current plan members. Therefore, the long term expected rate of return on pension plan investment was applied to all periods of projected benefit payments to determine the total pension liability. The following presents the net pension liability of the District, calculated using the discount rate of 2.75%, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.75%) and 1-percentage point higher (3.75%) than the current rate.

	1% Decrease (1.50%)	Current Discount Rate (2.50%)	1% Increase (3.75%)
District's Net Pension Liability	\$14,728,467	\$12,582,689	\$10,739,977

*Source: Florida Department of Education Superintendent's Annual Finance Report (ESE 145) District School Board of Hillsborough County for the Fiscal Year ended June 30, 2019 (Unaudited).*

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Plan. At June 30, 2019, the District reported a liability of \$12,582,689 for the Plan net pension liability. The liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The District's net pension liability was based on a projection of the pension plan relative to the projected contributions during the Fiscal Year ended June 30, 2019. At June 30, 2019, the District reported deferred outflows of resources of \$247,734 and did not report any deferred inflows of resources related to pensions for the Plan. The deferred outflows of resources related to Plan resulting from District contributions subsequent to the measurement date, will be recognized in pension expense in subsequent Fiscal Years. See "APPENDIX B: COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA FOR THE FISCAL YEAR ENDED JUNE 30, 2019."

### **Post Employment Health Care**

Plan Description. The Postemployment Health Care Benefits Plan (the "OPEB") is a single-employer defined benefit plan administered by the District. Pursuant to the provisions of Section 112.0801, Florida Statutes, 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. Based on the valuation as of May 1, 2019, the District had 25,397 active employees and 821 retirees and eligible dependents in the OPEB. The District subsidizes the premium rates paid by retirees by allowing them to participate in the plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the OPEB on average than those of active employees. Retirees are required to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible.

Benefits. Eligible retirees are generally covered by one of three fully insured comprehensive medical programs from Blue Cross Blue Shield. In addition, Medicare eligible retirees have the option to participate in a Medicare Advantage plan offered by Aetna. The Board has no liability for this plan because retirees pay the full cost with no cost sharing. Medicare eligible retirees coordinate benefits with Medicare on a "Coordination of Benefits" basis. That is, the plan pays up to the amount it would pay as primary payer, except that it will not pay benefits already paid by Medicare (which is actually the primary payer) or if the retiree elects not to participate in Medicare Parts A and B, the hypothetical amount Medicare would have paid. Spouses of retirees or surviving spouses of retirees of the District who meet retirement criteria, and received pension benefits at termination may elect medical coverage. Retirees pay the full cost of dental and vision with no employer cost sharing in the implicit subsidy between active employees and retirees. Retirees pay the full cost with no implicit subsidy for life insurance.

Total OPEB Liability. The District's total OPEB liability of \$170,574,805 was measured as of June 30, 2019, and was determined by an actuarial valuation as of that date.

	<u>Total OPEB Liability</u>
Changes for the year:	
Service cost	\$11,072,796
Interest	6,530,837
Changes of benefit terms	-
Differences between expected and actual experience	(17,872,534)
Changes in assumptions <sup>(1)</sup>	15,722,184
Benefits payments	(5,074,173)
Net change in total OPEB liability	<u>10,379,110</u>
Total OPEB Liability (Beginning)	160,195,695
Total OPEB Liability (Ending)	<u><u>\$170,574,805</u></u>

<sup>(1)</sup> Changes of assumptions reflect a change in the discount rates from 3.87% in Fiscal Year 2016-17 to 3.50% in Fiscal Year 2018-19.

*Source: Florida Department of Education Superintendent's Annual Finance Report (ESE 145) District School Board of Hillsborough County for the Fiscal Year ended June 30, 2019 (UNAUDITED).*

Funded Status and Funding Progress. As of July 1, 2019, the most recent valuation date, the total OPEB Plan liability was \$170,574,805, and assets held in trust were \$0, resulting in a funded ratio of 0%. The covered payroll (annual payroll of active participating employees) was \$1,108,181,513 and the ratio of the total OPEB Plan liability to the covered payroll was 15.39%. The OPEB Plan contribution requirements of the District and OPEB Plan members are established and may be amended through recommendations of the Insurance Committee and action from the Board. The District has not advance-funded or established a funding methodology for the annual OPEB expense or the net OPEB Plan liability, and the OPEB Plan is financed on a pay-as-you-go basis.

Actuarial Assumptions and Methods. OPEB selected the economic, demographic, and health care claim cost assumptions and prescribed them for use for purposes of compliance with GASB 75. The method used to calculate the service cost and accumulated postretirement benefit obligation for determining OPEB expense is the entry age normal cost methods. Under this cost method, the actuarial accrued liability is based on a prorated portion of the present value of all benefits earned to date over expected future working

life time as defined by GASB. The proration is determined so that the cost with respect to service accrued from date of hire is recognized as a level percentage of pay each year. The Normal Cost is equal to the prorated cost for the year of the valuations. Benefit obligations and expense/(income) are calculated under U.S. Generally Accepted Accounting Principles as set forth in Government Accounting Standards Board Statement 75. The total OPEB liability represents the actuarial present value of benefits based on the entry age normal cost method as of the measurement date reflecting all normal costs over the period when benefits were earned. The OPEB expense is the annual amount to be recognized in the income statement as the cost of OPEB benefits for this plan for the period ending June 30, 2019.

The total OPEB liability in the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry age
Inflation	2.5%
Salary increases	4.0%
Discount rate	3.5%

Mortality rates were based on the employees and healthy annuitants projected generationally using scale MP-2018. Disabled retirees were projected using scale MP-2018. Discount rates were based on the Bond Buyer GO 20-Bond Municipal Bond Index.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the District as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.50%) and 1-percentage point higher (4.50%) than the current rate.

	1% Decrease (2.87%)	Current Discount Rate (3.507%)	1% Increase (4.50%)
Total OPEB Liability	\$191,980,211	\$170,574,805	\$152,033,653

Source: Florida Department of Education Superintendent's Annual Finance Report (ESE 145) District School Board of Hillsborough County for the Fiscal Year ended June 30, 2019 (Unaudited).

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Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates (6.6% pre-65 and 7.0% post-65 both decreasing to 4.5%) or 1-percentage-point higher (7.6% pre-65 and 8.0% post-65 decreasing to 5.5%) or 1-percentage point lower (5.6% pre-65 and 6.0% post-65 decreasing to 3.5%):

	Healthcare Cost		
	1% Decrease (5.6% pre-65/6.0% post-65 decreasing to 3.5%)	Trend Rates (6.6% pre-65/7.0% post-65 decreasing to 4.5%)	1% Increase (7.6% pre-65/8.0% post-65 decreasing to 5.5%)
Total OPEB Liability	\$143,617,003	\$170,574,805	\$204,769,657

*Source: Florida Department of Education Superintendent's Annual Finance Report (ESE 145) District School Board of Hillsborough County for the Fiscal Year ended June 30, 2019 (Unaudited).*

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At June 30, 2019, the District recognized negative OPEB expense of \$15,377,164. At June 30, 2019, the District did not report any deferred inflows of resources related to OPEB and reported deferred outflows of resources of \$37,234 related to OPEB. The deferred outflows of resources related to OPEB will be recognized in OPEB expense in subsequent Fiscal Years. See "APPENDIX B: COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA FOR THE FISCAL YEAR ENDED JUNE 30, 2019."

### **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 Master 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 Master Agreement.

The District's investment policy was amended on December 5, 2017, and may be revised by the Board from time to time. Pursuant to such investment policy, the District is authorized to invest in the following investments:

(1) The Florida State Board of Administration's; Local Government Surplus Funds Trust Fund ("Florida Prime") or other intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in section 163.01, Florida Statutes. Eligible Pools shall be rated "AAAm" or "AAA" by Standard & Poor's, or the equivalent by another rating agency. Not more that 50% may be invested in any single pool (including Florida Prime), and not more that 50% in all such pools.

(2) United States Government Securities: Negotiable direct obligations, or obligations the principal and interest of which are unconditionally guaranteed by the United States Government; including but not limited to Notes, Bills, Bonds, Strips, and State & Local Government Series securities (SLGS).

(3) United States Government Agency Securities: bonds, debentures, notes or callables issued or guaranteed by the United States Governments agencies, provided such obligations are backed by the full faith and credit of the United States Government. Such investments are limited to not more that 50% overall, and no more that 25% from any one agency. The final maturity of such investments shall be no longer than five (5) years from the date of purchase.



(4) United States Government Enterprises and Instrumentalities including bonds, debentures, inflation index securities, or notes which may be subject to call, issued or guaranteed as to principal and interest by United States government sponsored enterprises (federal instrumentalities) which are non-full faith and credit agencies. Such investments are limited to not more than 30% overall, and no more than 15% from any one agency. The final maturity of such investments shall be no longer than 5 years from the date of purchase.

(5) Non-Negotiable Interest Bearing Time Deposits, Saving Accounts, Demand Deposit Accounts: Includes investments in non-negotiable interest bearing time certificates of deposit, savings accounts and interest bearing demand deposit accounts (checking accounts) in banks organized under the laws of this state and/or in national banks organized under the laws of the United States. Eligible institutions must be members of the Federal Deposit Insurance Corporation (FDIC) and any investments/deposits must be secured by the Florida Security for Public Deposits Act, chapter 280, Florida Statutes. Time Deposits are limited to not more than 30% overall, and no more than 15% from any one Bank. The final maturity of such Time Deposits shall be no longer than three (3) years from the date of purchase.

(6) Depository Instruments fully insured/guaranteed by the FDIC; to the extent allowed by 218.415(23), Florida Statutes. Such investments are limited to not more than 15%. The final maturity of such investments shall be no longer than two (2) years from the date of purchase.

(7) State and/or Local Government Taxable and or Tax-Exempt Debt: General obligation, revenue bonds, and certificates of participation issued by State and/or local governments. Such securities must constitute pre-refunded obligations escrowed in United States Treasury Securities, or must have long-term debt ratings in one of the three highest rating categories, and Outlooks in the "Positive" or "Stable" categories, by at least one nationally recognized rating agency. Securities with negative credit watch, or with a negative outlook by any rating agency are not eligible for purchase. Short-term ratings, where applicable, must be in the highest short-term rating category by at least one nationally recognized rating agency. Such investments are limited to not more than 20% overall, and no more than 10% from any one agency. The final maturity of such investments shall be no longer than 5 years from the date of purchase.

(8) Money Market Funds; Shares in open-end, no-load, Securities and Exchange Commission registered money market Funds with the highest credit quality rating from a Rating Agency. The Funds must be registered and in compliance with 17 C.F.R. 270.2a-7 of the Federal Code of Regulations. Such Funds shall be rated "AAAm" or "AAAm-G" or better by Standard & Poor's, or the equivalent by another Rating Agency. Such investments are limited to not more than 30% overall, and no more than 15% in any one such fund.

(9) Investment Company Act of 1940; investments; Securities or, other interest in, any open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940. Investments in this category shall be rated the highest rating category by Standard & Poor's, or the equivalent by another nationally recognized rating agency. The duration of such investments shall not exceed five (5) years. Such investments are limited to not more than 20% in aggregate and not more than 10% in any one investment.

(10) Commercial Paper of any United States company that is rated, at the time of purchase not lower than "Prime-1" by Moody's and "A-1" by Standard & Poor's or the equivalent by two nationally recognized rating agencies. Such investments are limited to not more than 25% in aggregate and not more than 10% in any one investment.

(11) Corporate Securities in the form of notes and/or bonds issued by corporations rated in the Aa/AA category, or higher, by at least two nationally recognized rating agencies that are not on negative credit watch or negative outlook by any rating agency at the time of purchase. Such investments are limited to not more than 15% overall, and no more than 7.5% in any one issuer.

(12) Other investments; permitted by the state statute and not prohibited by this Policy, as may be recommended by the Superintendent and approved in advance by the Board.

The investment policy establishes an investment oversight committee whose members shall be comprised of a minimum of six individuals, three of whom shall be Board personnel and three non-Board personnel with relevant financial expertise. The committee will meet bi-annually to formulate and review the control procedures and investment performance criteria as set forth in the policy. Currently, all of the Board's investments are in compliance with the amended investment policy.

### **OPERATING REVENUE OF THE DISTRICT**

The District derives its operating income from a variety of federal, State, and local sources. Although Section 1013.15(2)(a), Florida Statutes, provides that operational revenues may be used by the School Board to make lease payments on lease-purchase agreements, the Board has not previously used operating funds to make Lease Payments. In addition, other restrictions applicable to the use of operating revenues may conflict with the use of operating revenues by the Board to make Lease Payments under Section 1013.15(2)(a) and there can be no assurance that such funds would be available to the Board to make Lease Payments in the case of such conflicts. Prospective purchasers should assume that operating revenues will not be available to make Lease Payments and that such payments will be made solely from capital outlay funds. See "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS." The major categories of these income sources for the operating revenues are briefly described below.

#### **State Sources**

Florida Education Finance Program. The major portion of State support is distributed under the provisions of the Florida Education Finance Program ("FEFP"). Basic FEFP funds are provided on a weighted FTE student basis and through a formula that takes into account: (a) varying program costs; (b) cost differentials between districts; (c) differences in per student costs due to the density of student population; and (d) the required level of local support. Program cost factors are determined by the Florida Legislature each year. The amount of FEFP funds disbursed by the State is adjusted four times during each year to reflect changes in FTE and in other variables comprising the formula, as well as to compensate for increases or decreases in ad valorem tax revenue resulting from adjustments to the valuation of non-exempt property in each county. To participate in FEFP funding, the District must levy a minimum millage for operating purposes, which is set by the State Department of Education. The District's general fund receipts from the State for FEFP pursuant to the above formula for Fiscal Years 2014-15, 2015-16, 2016-17, 2017-18, and 2018-19 were \$731,095,785, \$767,172,914, \$794,840,683, \$824,486,323 and \$826,474,153, respectively, and are budgeted at \$884,275,921 for Fiscal Year 2019-20.

FEFP categorical programs are lump sum appropriations from the State intended to supplement local school district revenues to enhance the delivery of educational and support services by each school district. In recent years, most categorical programs have been eliminated and the funds are now earmarked within the FEFP base student allocation. The main remaining categorical program is class size reduction. The allocation for class size reduction is based on a funding formula and the majority of the funds available require actual appropriation by the Board for the purposes for which they were provided. Class size

reduction funds were \$230,848,538, \$232,498,117, \$237,454,232, \$239,198,842 and \$241,261,897 for Fiscal Years 2014-15, 2015-16, 2016-17, 2017-18 and 2018-19 respectively, and are budgeted at \$243,577,138 for Fiscal Year 2019-20.

State Lottery Revenues. A portion of the revenues generated from the State lottery is distributed to each State school district as Discretionary Lottery revenue and Florida School Recognition Program revenue. The Florida School Recognition program recognizes schools that have received an "A" or improved at least one letter grade from the previous school year and, such revenues are required to be used for nonrecurring bonuses for school faculty and staff, nonrecurring expenditures for educational equipment or materials, for temporary personnel to assist schools in maintaining or improving student performance, or any combination of these. The District received \$11,420,797, \$8,914,088, \$6,177,656, and \$8,718,087 and \$9,184,728 in Florida School Recognition revenues for Fiscal Years 2014-15, 2016-17, 2017-18 and 2018-19, respectively, and the District budgeted \$9,440,371 in Florida School Recognition Program revenues for Fiscal Year 2019-20. The District received \$2,030,684, \$750,476, \$3,596,820, \$755,585 in Discretionary Lottery revenues for Fiscal Years 2014-15, 2016-17, 2017-18 and 2018-19 and is budgeted to receive \$223,869 of such revenues for Fiscal Year 2019-20. The District did not receive any Discretionary Lottery revenues for Fiscal Year 2015-16.

### **Local Sources**

Local revenue for District operating support is derived almost entirely from ad valorem real and tangible personal property taxes. In addition, the District earns interest on cash invested and collects other miscellaneous revenues.

The Constitution of the State of Florida limits the non-voted millage rate that school boards may levy on an annual basis for operational funds to 10 mills (\$10 per \$1,000 of taxable real and personal property value). Chapter 1011, Florida Statutes, further limits the millage levy for operational purposes to an amount established each year by the State appropriations act and finally certified by the Commissioner of the State Department of Education. Within this operational limit, each school district desiring to participate in the State's allocation of FEFP funds for current operations must levy a non-voted millage rate that is determined annually by the Florida Legislature and certified by the Commissioner (the "Required Local Effort"). The Required Local Effort levied by the District for the Fiscal Years 2014-15, 2015-16, 2016-17, 2017-18, and 2018-19 were 5.105 mills, 4.999 mills, 4.658 mills, 4.348 and 4.166 mills respectively. The Board has budgeted that the Required Local Effort to be levied by the District for Fiscal Year 2019-20 is 3.881 mills.

In addition to the Required Local Effort, school districts are entitled an additional non-voted current operating discretionary millage not to exceed an amount established annually by the Florida Legislature (the "Current Operating Discretionary Millage"). The District levied a Current Operating Discretionary Millage of 0.748 mills for each of the Fiscal Years 2014-15 through 2018-19. The Board has budgeted that the Current Operating Discretionary Millage to be levied by the District for Fiscal Year 2019-20 is 0.748 mills.

School boards may, upon approval by voters in a local referendum or general election, levy an additional millage for operating needs up to an amount that when combined with the non-voted millage does not exceed 10 mills (the "Additional Voted Operating Millage"). The Additional Voted Operating Millage shall be for a maximum of four years. The District did not levy any Additional Voted Operating Millage for the Fiscal Years 2014-15 through 2018-19, and has not budgeted to levy any Additional Voted Operating Millage for the Fiscal Year 2019-20.

Budgeted revenues from ad valorem taxes were based on applying millage levies to 96% of the non-exempt assessed valuation of real and personal property within the County. Ad valorem tax revenue collections for operating levies for the Fiscal Years 2014-15, 2015-16, 2016-17, 2017-18 and 2018-19 were \$422,316,780, \$446,798,976, \$453,097,176, \$463,070,018 and \$491,198,783, respectively. Ad valorem taxes for operating purposes are budgeted to be \$500,285,377 for Fiscal Year 2019-20.

### **Federal Sources**

The District receives certain federal moneys, both directly and through the State, substantially all of which are restricted for specific programs. Much of the revenue is derived from grants that are renewed annually. Many grants reimburse for actual eligible expenses; therefore revenue is not accurately available until projects are reconciled at year end. Federal revenue sources recorded for Fiscal Years 2014-15, 2015-16, 2016-17, 2017-18 and 2018-19 were \$308,034,426, \$317,773,329, \$310,973,488, \$304,263,529 and \$303,038,930, respectively, and \$340,519,679 is budgeted for Fiscal Year 2019-20.

### **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 2019-20, excluding proceeds from the issuance of any series of Certificates and existing fund balances, the Board has budgeted that approximately 5.2% of the annual revenues for capital improvements will be provided by State revenues, approximately 48.5% will be provided by local millage and approximately 46.3% will be provided by investment earnings and other sources.

### **State Sources**

Public Education Capital Outlay. A source of State educational funding contributions to the Board's capital outlay requirements is the Florida Public Education Capital Outlay Program ("PECO"). PECO funds are derived from revenues generated from the gross receipts tax levied on utilities pursuant to Article VII of the Constitution of the State of Florida. The vast majority of such revenues are generated from assessments imposed on the sale of telecommunication services and electricity pursuant to Chapter 203, Florida Statutes. The method of allocation of funds to the district school boards is provided by State law based upon a statutory formula, a component of which is the number of full-time equivalent students in the school system. The Commissioner administers the PECO program and allocates or reallocates funds as authorized by law. The Board received \$3,831,847, \$3,496,051, \$4,894,472, \$3,436,612 and \$3,547,878 in PECO funds for Fiscal Years 2014-15, 2015-16, 2016-17, 2017-18 and 2018-19, respectively, and is budgeted to receive \$3,436,612 in PECO funds for Fiscal Year 2019-20.

Capital Outlay and Debt Service Funds. The State Capital Outlay and Debt Service Funds ("CO&DS") also provides 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 \$937,711, \$1,443,133, \$1,650,087, \$1,875,175 and \$5,575,624 in Fiscal Years 2014-15, 2015-16, 2016-17, 2017-18 and 2018-19, respectively. The Board has budgeted to receive \$5,575,624 of CO&DS funds in Fiscal Year 2019-20. CO&DS funds are legally available to the Board to pay the principal portion and portion of Basic Rent Payments, but only if the Project financed thereby appears on a project priority list approved by the State Board of Education.

Capital Outlay Bonds. Annually, the State offers to bond a portion of future CO&DS funds for school districts ("Capital Outlay Bonds"). The Capital Outlay Bonds are serviced entirely by the State using a portion of the District's share of revenue derived from CO&DS funds. The annual sinking fund

requirements are determined by the State Board of Administration (the "SBA") and amounts necessary to retire bonds and pay interest are withheld from amounts due to the District. CO&DS funds in the amount of \$6,703,318, \$6,105,944, \$6,167,899, \$6,098,741 and \$2,452,120 were withheld from the allocations in Fiscal Years 2014-15, 2015-16, 2016-17, 2017-18 and 2018-19, respectively. CO&DS funds in the amount of \$2,140,000 are budgeted to be withheld in Fiscal Year 2019-20. See "FINANCIAL RESULTS AND LIABILITIES OF THE DISTRICT – Long Term Debt" herein.

Other State Sources. Under the Act, the District may be entitled to receive other State revenues pursuant to other programs if the District achieves certain standards relating to its capital outlay efforts. Some of such revenues may be used to make lease purchase payments. It is not possible at this time to determine or estimate the amount of such State revenues, if any, that the District may receive in the future.

### **Local Sources**

Ad Valorem Taxes. Local revenue for school district support is derived primarily from real and tangible personal property taxes. See also "AD VALOREM TAXATION."

School boards may levy non voted millage for capital outlay and maintenance purposes, pursuant to Section 1011.71(2), Florida Statutes (the "Capital Outlay Millage"). Revenues from the Capital Outlay Millage may be used to fund, among other things, new construction, remodeling, site acquisition and improvement; maintenance and repair; school bus purchases; payments under lease purchase agreements and certain short term loans.

The Capital Outlay Millage may be up to 1.50 mills (each mill represents \$1 of tax assessment per \$1,000 of property value assessment, subject to certain exclusions). For each Fiscal Year since Fiscal Year 2013-14, the Board has levied a Capital Outlay Millage of 1.50 mills. The revenues generated from the Capital Outlay Millage received by the Board for Fiscal Years 2014-15, 2015-16, 2016-17, 2017-18 and 2018-19 are \$108,238,031, \$116,622,968, \$125,707,135, \$136,301,147 and \$149,920,705, respectively. The Board has budgeted to receive \$162,926,797 of revenues generated from the Capital Outlay Millage for Fiscal Year 2019-20.

Payment of Lease Payments from the Capital Outlay Millage may not exceed three-fourths of the revenues generated from the Capital Outlay Millage; however, such three-fourths limitation is waived for lease-purchase agreements originally entered into prior to June 30, 2009. The Series 1998 Lease Agreement, the Series 1999 Lease Agreement, the Series 2000 Lease Agreement, the Series 2001B Lease Agreement, the Series 2002 Lease Agreement, the Series 2003B Lease Agreement, the Series 2004B Lease Agreement, the Series 2004-QZAB Lease Agreement, the Series 2004C Lease Agreement, the Series 2005-QZAB Lease Agreement, the Series 2006A Lease Agreement and the Series 2007 Lease Agreement were originally entered into before June 30, 2009, and the three-fourths limitation is waived relative thereto. The three-fourths limitation is applicable to the Series 2010B Lease Agreement.

If revenue generated from the Capital Outlay Millage is insufficient to make payments under a lease-purchase agreement entered into prior to June 30, 2008, an amount equal to the revenue generated from 0.50 mills of the operating levy may be used to make such lease payments. Additionally, if revenue from the Capital Outlay Millage is insufficient to make payments due under a lease-purchase agreement entered into prior to June 30, 2009, or to meet other critical school district fixed capital outlay needs, a school board may levy a capital outlay discretionary millage up to an additional 0.25 mills (the "Capital Outlay Discretionary Millage"). The Capital Outlay Discretionary Millage is in addition to the 1.50 mills Capital Outlay Millage and is in lieu of levying an equivalent amount of the Current Operating Discretionary

Millage. See "OPERATING REVENUES OF THE DISTRICT – Local Sources" herein. The District did not levy any Capital Outlay Discretionary Millage for the Fiscal Years 2014-15 through 2018-19, and has not budgeted to levy any Capital Outlay Discretionary Millage for the Fiscal Year 2019-20. See "AD VALOREM TAXATION – Millage Set by Local Governing Body."

**The Capital Outlay Millage is the Board's primary source of payment of Lease Payments on the Series 1999 Lease Agreement and the Series 2003B Lease Agreement and the Prior Lease Agreements. The Board is not required to levy any Capital Outlay Millage in the future. Since revenues from the levy of the Capital Outlay Millage may be used for, but not pledged to, the payment of Lease Payments under the Leases, the failure of the Board to levy any of the Capital Outlay Millage would have an adverse effect on available revenues from which the Board may appropriate to make Lease Payments. SEE "AD VALOREM TAXATION – Legislation Relating to Ad Valorem Taxation" and "LEGISLATIVE CHANGES AFFECTING DISTRICT REVENUES – Distribution of Capital Outlay Millage Revenues to Charter Schools" for information concerning legislation that may adversely affect the District's taxable assessed valuation, the levy of the Capital Outlay Millage, and the Capital Outlay Millage available to make Lease Payments.**

During its 2017 Regular Session, the Florida Legislature approved House Bill 7069 ("HB 7069"). HB 7069, among other things, requires school districts to distribute revenues generated from the Capital Outlay Millage on a per student basis between traditional schools and charter schools. HB 7069 established the calculation methodology to determine the amount of Capital Outlay Millage revenues a school district must distribute to each eligible charter school. Such calculation provides that the amount of Capital Outlay Millage revenues a school district must distribute to each eligible charter school will first be reduced by the school district's annual debt service for obligations issued or incurred as of March 1, 2017 (which includes the Series 1999 Lease Agreement, the Series 2003B Lease Agreement and the Prior Lease Agreements) that are being satisfied by Capital Outlay Millage revenues (which for the Board for Fiscal Year 2018-19 was \$65,773,788), and requires the first payment to charter schools as of February 1 of each year. The remaining Capital Outlay Millage revenue would be divided by the total of capital outlay FTE students in traditional public schools and eligible charter schools in the school district, then multiplied by the total of capital outlay FTE students in each eligible charter school in the school district to determine each charter school's allocation. However, to the extent a charter school receives State charter school capital outlay funding in the general appropriations act, its share of Capital Outlay Millage revenues would be reduced by a like amount. On February 1, 2018, the amount of revenues from the District's Capital Outlay Millage actually paid by the District for charter school capital outlay was \$2,742,204. The provisions of HB 7069 have been subject to lawsuits filed by certain affected school districts. See "LEGISLATIVE CHANGES AFFECTING DISTRICT REVENUES – Distribution of Capital Outlay Millage Revenues to Charter Schools."

During its 2018 Regular Session, the Florida Legislature approved Committee Substitute for House Bill 7055 ("CS/HB 7055"). CS/HB 7055, among other things, revised certain of the requirements of HB 7069 relating to the required sharing of the Capital Outlay Millage revenues with charter schools. CS/HB 7055 specifies that charter school capital outlay funds shall consist of State funds when such funds are appropriated. However, if in any given year the amount of State funds is not equal to, or is less than, the average charter school capital outlay funds per unweighted FTE student for the Fiscal Year 2018-19, multiplied by the estimated number of charter school students for the applicable fiscal year and adjusted for inflation from the previous year, charter school capital outlay funds shall also consist of the Capital Outlay Millage revenue. CS/HB 7055 also sought to clarify that the debt service obligation that can be reduced from the distribution to charter schools is the debt service obligation incurred as of March 1, 2017, which has not been subsequently retired, and also requires each school district to annually certify to the

Florida Department of Education the amount of the debt service obligation that can be reduced from the distribution to charter schools. Pursuant to CS/HB 7055, the State appropriated the full amount of the charter school capital outlay for Fiscal Years 2018-19 and 2019-20; therefore, the Board did not budget any of the District's Capital Outlay Millage revenues to be paid for charter school capital outlay for such Fiscal Years. Likewise, the State budget approved by the Legislature for Fiscal Year 2020-21 includes an appropriation for the full amount of the charter school capital outlay; however, the Fiscal 2020-21 budget is subject to approval and line-item veto by the Governor. See "RISK FACTORS – State Revenues" herein. Moreover, there can be no assurance that the Board will not have to share Capital Outlay Millage revenues with charter schools in the District in future years.

At this time, the Board cannot determine the long-term impact of HB 7069 and CS/HB 7055 on the amount of revenues available to the School Board from the Capital Outlay Millage to make Basic Rent Payments under the Master Lease in future years. While HB 7069 and CS/HB 7055 will likely result in a reduction in such amount, the Board, at this time, does not expect the impact of HB 7069 and CS/HB 7055 to adversely affect its ability to make Basic Rent Payments under the Master Lease. See "LEGISLATIVE CHANGES AFFECTING DISTRICT REVENUES – Distribution of Capital Outlay Millage Revenues to Charter Schools" herein.

The following table sets forth the Capital Outlay Millage levy that would provide 1.00x coverage of the maximum annual Basic Rent Payments represented by the Prior Certificates and the Refunded Certificates prior to the issuance of the Series 2020 Certificates and the refunding of the Refunded Certificates, based on current law and assuming 96% collection of the taxes levied:

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## Anticipated Capital Outlay Millage Levy Required to Cover Maximum Annual Payments

<i>Fiscal Year 2019-20</i>	
<b>Net Taxable Assessed Valuation<sup>(1)</sup></b>	<b>\$112,969,998,146</b>
Capital Outlay Millage Levy	1.500
Assumed Tax Collection Rate	96.0%
<b>Total Revenue Generated by 1.50 mill Levy at 96% Collection</b>	<b>\$162,676,797</b>
<i>Capital Outlay Millage Levy Required to Satisfy Maximum Annual Basic Rent Payments Represented by the Prior Certificates and the Series 2020 Certificates</i>	
Maximum Annual Basic Rent Payments (Fiscal Year 2025-26) <sup>(2)</sup>	\$65,038,883
Minimum Capital Outlay Millage Needed to Satisfy Maximum Annual Lease Payments <sup>(2)(3)</sup>	0.600 mills
Anticipated Minimum Capital Outlay Millage Revenue Remaining After Maximum Basic Rent Payments <sup>(4)</sup>	\$97,637,914

<sup>(1)</sup> Such figure is subject to change through the value adjustment board process. See "AD VALOREM TAXATION – Property Assessment and County Property Appraiser."

<sup>(2)</sup> Reflects the financial arrangements, assumptions, and accounting practices for the Prior Certificates and the Series 2020 Certificates as described in footnotes under "COMBINED CERTIFICATE PAYMENT SCHEDULE" herein.

<sup>(3)</sup> Under current law, the 75% limitation on the use of the Capital Outlay Millage revenues for the payment of lease-purchase agreements is waived for lease-purchase agreements originally entered into prior to June 30, 2009. Accordingly, only the Lease Payments with respect to Leases originally entered into after June 30, 2009 are subject to the 75% limitation. Therefore, only the Series 2010B Lease Agreement is subject to the 75% limitation and, taking such limitation into account in calculating the estimated millage levy that would satisfy the maximum annual Lease Payments, the District would be required to levy 0.606 mills to satisfy maximum annual Lease Payments, and the millage that is levied in excess of the Maximum Annual Lease Payments would be used for other lawful purposes.

<sup>(4)</sup> As described herein, HB 7069 requires distribution by the District of certain revenues derived from the Capital Outlay Millage to charter schools. Pursuant to CS/HB 7055, the State appropriated the full amount of the charter school capital outlay funds per unweighted FTE student for the Fiscal Year 2018-19. In future years, if the State does not appropriate an amount at least equal to the average charter school capital outlay per unweighted FTE student for Fiscal Year 2018-19, multiplied by the estimated number of charter school students for the applicable fiscal year and adjusted for inflation from the previous year, charter school capital outlay funds would also consist of the Capital Outlay Millage revenue. If the State had not appropriated any funds for such purpose for Fiscal Year 2019-20, the District would have been required to pay an estimated \$12,497,639 or 0.115 mills of the Capital Outlay Millage to charter schools. At this time, the amount of the Capital Outlay Millage revenues to be shared with eligible charter schools in future years cannot be determined because the amount of State funds appropriated for the charter school capital outlay and charter school enrollment are unknown. See "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS – Local Sources" herein.

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Local Government Infrastructure Surtax Funds. Chapter 212, Part I, Florida Statutes, as amended, imposes a 6% sales tax on the sales price of tangible personal property sold at retail in the State subject to certain exemptions therefrom. A similar tax is imposed on the cost price of tangible personal property when the property is not sold, but is used, consumed, distributed or stored for use in the State. The largest single source of tax receipts in the State is the sales and use tax.

Section 212.055(2), Florida Statutes, authorizes local governments to impose a discretionary sales surtax of 0.5 percent or 1.0 percent on all transactions occurring in the county, which transactions are subject to the sales tax imposed on sales, use, services, rentals, admissions, and other transactions by Chapter 212, Florida Statutes, and certain communications services. However, local governments may not impose the surtax on the portion of any sales amount which exceeds \$5,000 on any item of tangible personal property. Section 202.11(1), Florida Statutes, defines "communications services" as the transmission, conveyance, or routing of voice, data, audio, video, or any other information or signals, including video services, to a point, or between or among points, by or through any electronic, radio, satellite, cable, optical, microwave, or other medium or method now in existence or hereafter devised, regardless of the protocol used for such transmission or conveyance. The term includes such transmission, conveyance, or routing in which computer processing applications are used to act on the form, code, or protocol of the content for purposes of transmission, conveyance, or routing without regard to whether such service is referred to as voice-over-Internet-protocol services or is classified by the Federal Communications Commission as enhanced or value-added. Communications services do not include certain items enumerated in Section 202.11(1), Florida Statutes.

Pursuant to Section 212.055(2)(d)(1), Florida Statutes, the proceeds of any discretionary sales surtax and any interest accrued thereto are required to be expended to finance, plan and construct infrastructure and to acquire land for public recreation, conservation or protection of natural resources and to finance the closure of county-owned or municipally-owned solid waste landfills that are already closed or are required to close by order of the Department of Environmental Protection. Neither the proceeds nor any interest accrued thereto may be used for operational expenses of any infrastructure. "Infrastructure" means, among other things, any fixed expenditure or fixed capital outlay associated with the construction, reconstruction or improvement of public facilities which have a life expectancy of five or more years and any land acquisition, land improvement, design, and engineering costs related thereto. Pursuant to Section 212.055(2)(e), Florida Statutes, school districts, counties and municipalities receiving discretionary sales surtax proceeds may pledge such proceeds for the purpose of servicing new bond indebtedness incurred pursuant to law.

On July 15, 1996, the Board of the County, by a majority, enacted Ordinance No. 96-12 (the "Sales Tax Ordinance") which provided for the levying and imposition throughout the incorporated and unincorporated areas of the County, of an additional tax of 0.5% on all transactions occurring in the County subject to the aforementioned 6% tax (the "Community Investment Tax") the proceeds of which would be applied to pay the costs of acquisition and construction of public safety, transportation and educational infrastructure and a community stadium. On September 3, 1996, the Community Investment Tax was placed on the ballot and approved by a majority of the electors of the County who voted in the referendum. The Community Investment Tax is effective for a 30-year period that commenced December 1, 1996.

Pursuant to the Interlocal Agreement, dated July 17, 1996, by and among the County, the City of Tampa, Florida, the City of Temple Terrace, Florida, the City of Plant City, Florida and the Board, the parties agreed upon a monthly method of distribution of the Community Investment Tax. In each of the fiscal years 1997 through 2026, twenty-five percent (25%) of the net proceeds of the Community Investment Tax will be distributed to the Board (the "Sales Tax Revenues") with the remaining seventy-five percent to

be distributed among the Tampa Sports Authority, the County, the City of Tampa, Florida, the City of Temple Terrace, Florida and the City of Plant City, Florida. The Board received Sales Tax Revenues in the amounts of \$27,601,925, \$29,660,622, \$30,717,925, \$32,257,233 and \$33,287,260 in the Fiscal Years 2014-15, 2015-16, 2016-17, 2017-18 and 2018-19. The Board has budgeted to receive \$31,771,086 of Sales Tax Revenues in Fiscal Year 2019-20.

The District previously issued its Sales Tax Refunding Revenue Bonds, Series 2015B, currently outstanding in the principal amount of \$65,195,000, and its Sales Tax Revenue Refunding Bond, Series 2017, currently outstanding in the principal amount of \$63,345,000 (collectively, the "Sales Tax Revenue Bonds"). The District may issue additional sales tax revenue bonds in the future. The Sales Tax Revenue Bonds are limited and special obligations of the District payable solely from and secured by a prior lien upon and pledge of the Sales Tax Revenues. Excess Sales Tax Revenues could be made available for any lawful purpose of the District. HOWEVER, THE DISTRICT HAS NOT PLEDGED THE EXCESS SALES TAX REVENUES FOR SUCH PURPOSES, AND THE DISTRICT DOES NOT ANTICIPATE USING EXCESS SALES TAX REVENUES TO MAKE BASIC RENT PAYMENTS REPRESENTED BY THE SERIES 2020 CERTIFICATES.

School Capital Outlay Surtax. Section 212.055(6), Florida Statutes, authorizes school boards to impose a discretionary sales surtax of 0.5% per dollar for fixed capital expenditures or fixed capital costs associated with the construction, reconstruction, or improvement of school facilities and campuses which have a useful life expectancy of five or more years, and any land acquisition, land improvement, design and engineering costs related thereto, as well as retrofitting and providing for technology implementation, including hardware and software for various sites within the District. Surtax revenues may be used for the purpose of servicing bond indebtedness to finance projects authorized by Section 212.055(6), Florida Statutes, and any interest accrued thereto may be held in trust to finance such projects. However, neither the surtax revenues nor any interest accrued thereto may be used for operational expenses. The levy of the surtax must be approved by a referendum of the electors of the county in which the school district is located. By statute, the sales amount above \$5,000 on any item of tangible personal property is not subject to the surtax.

On November 6, 2018, voters in the District approved the Board's request to levy a school capital outlay surtax of 0.5% (the "School Capital Outlay Surtax") commencing January 1, 2019 and ending December 31, 2029, to finance air conditioning replacement and repairs, capital improvements and construction of other schools, building enhancements for school security and other maintenance needs. The Board has budgeted to receive \$121,200,000 in School Capital Outlay Surtax revenues in Fiscal Year 2019-20. THE DISTRICT HAS NOT PLEDGED THE SCHOOL CAPITAL OUTLAY SURTAX TO PAY THE BASIC RENT PAYMENTS REPRESENTED BY THE SERIES 2020 CERTIFICATES OR ANY PRIOR CERTIFICATES.

Educational Impact Fees. The County imposes an educational impact fee based on an ordinance enacted by the County Commission on October 30, 1996, as may be amended from time to time. The fees are collected by the County for new residential construction, and are used for project related expenditures that increase student capacity such as site acquisition, construction, design, site development, necessary off-site improvements, and equipment for educational facilities. Expenditures may also include payments for outstanding principal and interest due to the financing of these construction related expenditures. The Board received impact fee revenues in the amounts of \$21,088,951, \$25,188,600, \$31,274,116, \$33,062,557 and \$51,357,567 in the Fiscal Years 2014-15, 2015-16, 2016-17, 2017-18 and 2018-19. The Board has budgeted to receive \$32,000,000 of impact fee revenues in Fiscal Year 2019-20. On March 4, 2020, the County Commission voted to double the impact fees assessed to new residential development, effective June 8,

2020. THE DISTRICT WILL NOT USE ANY EDUCATIONAL IMPACT FEES TO PAY THE BASIC RENT PAYMENTS REPRESENTED BY THE SERIES 2020 CERTIFICATES OR ANY PRIOR CERTIFICATES.

### **AD VALOREM TAXATION**

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

#### **Property Assessment and County Property Appraiser**

General. Ad valorem taxes may be levied only by counties, school districts, municipalities, and certain special districts (railroad properties are centrally assessed at the State level). No State ad valorem taxes shall be levied upon real estate or tangible personal property. State law requires that all ad valorem taxation be assessed at a uniform rate within each taxing unit and, with certain exceptions, that real and personal property subject to ad valorem taxation be assessed at 100% of its just value. See "AD VALOREM TAXATION – Property Assessment and County Property Appraiser – Limitation on Increase in Assessed Value of Property." The following property is generally subject to taxation in the manner provided by law: (a) all real and personal property in the State and all personal property belonging to persons residing in the State; and (b) all leasehold interests in property of the United States, of the State, or any political subdivision, municipality, agency, authority, or other public body corporate of the State. Pursuant to the Constitution of the State of Florida and State law, certain of such property may be exempt from ad valorem taxation. See "AD VALOREM TAXATION – Exemptions from Ad Valorem Taxation."

Determination of Property Valuation. The Property Appraiser of the County (the "Property Appraiser") determines property valuation on real and tangible personal property subject to ad valorem taxation as of January 1 of each year. By July 1 of each year, the Property Appraiser notifies the County, the District, each municipality within the County, and each other legally constituted special taxing district within the County as to its just valuation, the legal adjustments and exemptions, and the taxable valuation. The taxable valuation is then used by each taxing body to calculate its ad valorem millage for the budget year. See "AD VALOREM TAXATION – Millage Set by Local Governing Body" and "AD VALOREM TAXATION – Property Assessment and County Property Appraiser – Limitation on Increase in Assessed Value of Property" for limitations on increases in assessed value of property.

Limitation on Increase in Assessed Value of Property. The Constitution of the State of Florida limits the increases in assessed just value of homestead property to the lower of (a) 3% of the assessment for the prior year or (b) the percentage change in the Consumer Price Index for all urban consumers, U.S. City Average, all items 1967=100, or successor reports for the preceding calendar year as initially reported by the United States Department of Labor, Bureau of Labor Statistics. The accumulated difference between the assessed value and the just value is known as the "Save Our Homes Benefit." Further, any change of ownership of homestead property or upon termination of homestead status such property shall be reassessed at just value as of January 1 of the year following the year of sale or change of status; new homestead property shall be assessed at just value as of January 1 of the year following the establishment of the homestead; and changes, additions, reductions or improvements to the homestead shall initially be assessed as provided for by general law.

Owners of homestead property may transfer up to \$500,000 of their Save Our Homes Benefit to a new homestead property purchased within two years of the sale of their previous homestead property to which such benefit applied if the just value of the new homestead is greater than or is equal to the just value of the prior homestead. If the just value of the new homestead is less than the just value of the prior

homestead, then owners of homestead property may transfer a proportional amount of their Save Our Homes Benefit, such proportional amount equaling the just value of the new homestead divided by the just value of the prior homestead multiplied by the assessed value of the prior homestead.

For all levies other than school district levies, assessment increases for specified non-homestead real property may not exceed 10% of the assessment for the prior year.

Preparation of Tax Roll. The Property Appraiser applies the final certified millage of each taxing body to the assessed valuation on each item of real and tangible personal property, and prepares the final tax roll which is certified to the Tax Collector of the County (the "Tax Collector") by October 1. This permits the printing of tax bills for delivery on November 1 of each year. The tax bills contain all of the overlapping and underlying millages set by the various taxing bodies. All ad valorem taxes are collected by the Tax Collector and distributed to the various taxing bodies. See "AD VALOREM TAXATION – Tax Collection and Distribution by County Tax Collector."

Appealing Property Valuation. Concurrently with notification to the various taxing bodies, the Property Appraiser notifies each property owner of the proposed valuation and the proposed millage on his or her property. If the individual property owner believes that his or her property has not been appraised at just value, the owner may (a) request an informal conference with the Property Appraiser to resolve the issue, (b) file a petition with the clerk of the County value adjustment board (the "Adjustment Board"), or (c) appeal to the Circuit Court within 60 days of the certification for collection of the tax roll or within 60 days of the issuance of a final decision by the Adjustment Board. A petition to the Adjustment Board must be signed by the taxpayer or be accompanied at the time of filing by the taxpayer's written authorization for representation by a qualified person. A taxpayer receives notice of the hearing and is required to provide the Property Appraiser with a list of evidence, copies of documentation, and summaries of testimony prior to the hearing before the Adjustment Board. The Adjustment Board holds public hearings on such petitions and may make adjustments to the valuations made by the Property Appraiser if such valuations are found not to be fair and at market value. The Adjustment Board must complete all required hearings and certify its decision with regard to all petitions and certify to the Property Appraiser the valuation to be used by June 1 following the tax year in which the assessments were made. The June 1 requirement shall be extended until December 1 in each year in which the number of petitions filed with the Adjustment Board increased by more than 10% over the previous year. These changes are then made to the final tax roll.

Property owners appealing the assessed value or assigned classification of their property must make a required partial payment of taxes (generally equal to 75% of the ad valorem taxes due, less the applicable statutory discount, if any) with respect to the properties that will have a petition pending on or after the delinquency date (normally April 1). A property owner's failure to make the required partial payment before the delinquency date will result in the denial of the property owner's petition.

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## Assessed Valuation of Taxable Property

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

### School Taxable Value and Assessed Value of Taxable Property Last Ten Fiscal Years (amounts expressed in thousands)

Fiscal Year	Net Taxable Value	Net Assessed Value	Net Taxable Value as a Percentage of Net Assessed Value
2018-19	\$103,479,221	\$126,204,062	81.99%
2017-18	94,172,456	115,443,439	81.57
2016-17	86,758,386	106,868,077	81.18
2015-16	80,448,343	99,744,677	80.65
2014-15	74,640,106	93,045,243	80.22
2013-14	69,568,965	87,642,064	79.38
2012-13	65,836,681	83,797,222	78.58
2011-12	67,359,851	85,121,195	79.13
2010-11	70,354,573	88,512,696	79.49
2009-10	78,519,867	91,790,036	85.53

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

Sources: *Comprehensive Annual Financial Report of the School District of Hillsborough County, Florida for the Fiscal Year ended June 30, 2019.*

## Millage Set by Local Governing Body

General. The Constitution of the State of Florida provides that ad valorem taxes shall not be levied in excess of the following millages upon the assessed value of real estate and tangible personal property: for all county purposes, ten mills; for all municipal purposes, ten mills; for all school purposes, ten mills; for water management purposes for the northwest portion of the state lying west of the line between ranges two and three east, 0.05 mill; for water management purposes for the remaining portions of the state, 1.0 mill; and for all other special districts a millage authorized by law approved by voters. There is no limit on the amount of ad valorem taxes a local government may levy for the payment of debt service on voter-approved general obligation bonds.

As described above, the Property Appraiser is required to certify to each taxing authority the aggregate taxable value of all non-exempt property within the jurisdiction of the taxing authority, as well as the prior year's tax revenues, for use in connection with the determination of the forthcoming budget and millage levy. The form on which such certification is made by the Property Appraiser is required to include instructions to each taxing authority describing the proper method of computing a millage rate, which, exclusive of new construction, additions to structures, deletions and property added due to geographic boundary changes, will provide the same ad valorem tax revenues for each taxing authority as

was levied during the prior fiscal year. See "AD VALOREM TAXATION – Millage Set by Local Governing Body – Millage Rollback Legislation."

Each respective millage rate, except as limited by law, is set on the basis of estimates of revenue needs and the total taxable property valuation within the taxing authority's respective jurisdiction. Ad valorem taxes are not levied in excess of actual budget requirements. State law requires the School Board to adopt and maintain a balanced tentative budget and a balanced final budget, in which anticipated revenues less certain required deductions combined with beginning fund balances equal appropriations. The Board is required to advertise its intent to adopt a tentative budget, including a capital outlay budget, within 29 days following receipt from the Property Appraiser of the preliminary certificate of taxable value. The Board holds a public hearing on the tentative budget and the proposed tax rates within five days of its advertisement, and officially adopts the tentative budget and tax rates at the hearing. Thereafter, the Property Appraiser prepares tax millage notices for property owners within the District. The final budget and tax rate are fixed in September of each year, following a final public hearing and in accordance with statutory timelines. The Superintendent is responsible for preparing the preliminary and tentative budgets for recommendation to the Board. 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 final Budget is adopted. The Board adopted the tentative budget for the Fiscal Year 2019-20 on July 30, 2019, and adopted the final budget for the Fiscal Year 2019-20 on September 10, 2019.

As part of the budget process, the District is required to provide advance notice of the purposes for which the District intends to spend budgeted amounts, including those derived from the revenues generated from the Capital Outlay Millage, and to adopt a budget that shows the capital outlay expenditures applicable to each project. For information regarding the Capital Outlay Millage, see "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS – Local Sources." The District currently lists in such notice all projects that may begin within the Fiscal Year which are reasonably anticipated to be funded from revenues generated from the estimated Capital Outlay Millage. This listing is provided to allow for public input for all capital outlay projects that are reasonably anticipated to be funded from the revenues.

Millage Rollback Legislation. In 2007, the Florida Legislature adopted a property tax plan that significantly impacted ad valorem tax collections for State local governments (the "Millage Rollback Legislation"). One component of the Millage Rollback Legislation required counties, cities, and special districts to rollback their millage rates for the Fiscal Year 2007-08 to a level that, with certain adjustments and exceptions, would generate the same level of ad valorem tax revenue as in Fiscal Year 2006-07; provided, however, depending upon the relative growth of each local government's own ad valorem tax revenues from 2001 to 2006, such rolled back millage rates were determined after first reducing 2006-07 ad valorem tax revenues by 0% to 9%. In addition, the Rollback Legislation also limited how much the aggregate amount of ad valorem tax revenues may increase in future fiscal years. A local government may override certain portions of these requirements by a supermajority, and for certain requirements, a unanimous vote of its governing body. School districts are not required to comply with the particular provisions of the Millage Rollback Legislation relating to limitations on increases in future years.

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District Millage Rates. The following table shows the millage rates levied by the District for the Fiscal Years 2009-10 through 2018-19:

**District Levies**

<u>TAX LEVY</u>	<u>Fiscal Year Ending June 30</u>									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<u>General Fund</u>										
Nonvoted School Tax:										
State - Required Local Effort	5.444	5.344	5.665	5.629	5.442	5.105	4.999	4.658	4.348	4.116
Local - Discretionary	0.748	0.748	0.748	0.748	0.748	0.748	0.748	0.748	0.748	0.748
Local - Supplemental	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<u>Capital Projects Fund</u>										
Nonvoted School Tax:										
Local Capital Improvements	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500
Total Nonvoted millage	7.692	7.592	7.913	7.877	7.690	7.353	7.247	6.906	6.596	6.414
<u>Debt Service Fund</u>										
Voted School Tax:										
Debt Service	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total District Millage Levy	7.692	7.592	7.913	7.877	7.690	7.353	7.247	6.906	6.596	6.414

Sources: *Comprehensive Annual Financial Report of the School District of Hillsborough County, Florida for the Fiscal Year ended June 30, 2019.*

For Fiscal Year 2019-20, the Board levied a total District-wide millage rate of 6.1290 consisting of: a Required Local Effort of 3.8810 mills, a Current Operating Discretionary Millage of 0.7480, and a Capital Outlay Millage of 1.5000.

**Tax Collection and Distribution by Tax Collector**

General. All real and tangible personal property taxes are based on assessed values as certified and delivered to the Tax Collector by the Property Appraiser as described above. The Tax Collector mails to each property owner on the tax roll a tax bill for the taxes levied by the various taxing authorities in the County. Taxes may be paid upon receipt of such notice with discounts at the rate of 4% if paid in the month of November, 3% if paid in the month of December, 2% if paid in the month of January, and 1% if paid in the month of February. Taxes paid during the month of March are without discount. Because of the discount in ad valorem taxes for payments made prior to March 1, taxes collected will likely never be 100% of the tax levy.

The Tax Collector is required to distribute the taxes collected to each governmental unit levying the tax. Such distribution is to be made four times during the first two months after the tax roll comes into its possession, and once per month thereafter.

Delinquent Taxes. All unpaid taxes on real and tangible property become delinquent on April 1 of the year following the year in which taxes were levied. Delinquent real property taxes bear interest at the rate of 18% per year from April 1 until paid, or until payment is no longer required or until a tax certificate is sold at auction (from which time the interest rate shall be as bid by the buyer of the tax certificate). Delinquent tangible personal property taxes also bear interest at the rate of 18% per year from April 1 until paid. Delinquent personal property taxes must be advertised within 45 days after delinquency, and after May 1, the property is subject to warrant, levy, seizure and sale.

Tax Certificates and Tax Deeds. On or before June 1 or the 60th day after the date of delinquency, whichever is later, the Tax Collector must advertise once each week for three weeks and must sell tax certificates on all real property that is the subject of delinquent taxes. The tax certificates are sold to those bidding the lowest interest rate. Such certificates include the amount of delinquent taxes, the penalty interest accrued thereon and the cost of advertising. Delinquent tax certificates not sold at auction become the property of the County. State law provides that real property tax liens are superior to all other liens, except prior Internal Revenue Service liens.

To redeem a tax certificate, the owner of the property must pay all delinquent taxes, the interest that accrued prior to the date of the sale of the tax certificate, charges incurred in connection with the sale of the tax certificate, omitted taxes, if any, and interest at the rate shown on the tax certificate (or interest at the rate of 5%, whichever is higher) from the date of the sale of the tax certificate to the date of redemption. If such tax certificates or liens are not redeemed by the property owner within two years, the holder of the tax certificates can cause the property to be sold to pay off the outstanding certificates and the interest thereon.

At any time after two years have elapsed since April 1 of the year of the issuance of a tax certificate and before the expiration of seven years, the holder of the tax certificate may apply for a tax deed with respect to any tax certificate it holds. Two years after such April 1, the County may make application for a tax deed with respect to any tax certificate it holds. Upon receipt of such applications, a public sale is advertised and held (unless the property is redeemed), and the highest bidder at such sale receives a tax deed for the property. Provisions are also made for the collection of delinquent tangible personal property taxes, but in a different manner, which includes the possible seizure of the tangible personal property.

### **Exemptions from Ad Valorem Taxation**

General. State law provides for numerous exemptions and limitations on ad valorem taxation of real property and tangible personal property. Real property used for the following purposes is generally exempt from ad valorem taxation: religious, educational, literary, charitable, scientific, and governmental uses. Certain additional exemptions and limitations are described below. This description does not purport to describe all exemptions available to property owners in the State, and reference is made to the Constitution of the State of Florida and Chapter 196, Florida Statutes, for a full description of such exemptions. In addition, State law allows for, but does not mandate, the imposition of some exemptions by local governments by ordinance. Where applicable, it is noted where the District has imposed such optional exemptions or limitations. Certain recent amendments to existing provisions relating to ad valorem tax exemptions are described under "Legislation Regarding Ad Valorem Taxes – Recent Amendments Relating to Ad Valorem Taxation."

Constitutional Exemptions. The Constitution of the State of Florida provides for the following exemptions from ad valorem taxation:



*Exempt Entities/Exempt Purposes.* The Constitution of the State of Florida provides that all property owned by a municipality and used exclusively by it for municipal or public purposes shall be exempt from taxation. A municipality, owning property outside the municipality, may be required by general law to make payment to the taxing unit in which the property is located. Such portions of property as are used predominantly for educational, literary, scientific, religious or charitable purposes (exempt purposes) may be exempted by general law from taxation. State law provides that all property owned by an exempt entity, including educational institutions, and used exclusively for exempt purposes shall be totally exempt from ad valorem taxation and all property owned by an exempt entity, including educational institutions, and used predominantly for exempt purposes (at least 50%) shall be exempted from ad valorem taxation to the extent of the ratio that such predominant use bears to the nonexempt use.

*Household Goods and Personal Effects.* The Constitution of the State of Florida provides that there shall be exempt from taxation, cumulatively, to every head of a family residing in the State, household goods and personal effects to the value fixed by general law, not less than \$1,000 and to every widow or widower or person who is blind or totally and permanently disabled, property to the value fixed by general law not less than \$500. State law exempts from taxation to every person residing and making his or her permanent home in the State, all household goods and personal effects and exempt property up to the value of \$500 of every widow, widower, blind person, or totally and permanently disabled person who is a resident of the State.

*Tangible Personal Property and Renewable Energy Devices.* The Constitution of the State of Florida provides that by general law and subject to conditions specified therein, \$25,000 of the assessed value of property subject to tangible personal property tax shall be exempt from ad valorem taxation. Effective January 1, 2018 through December 31, 2037, the assessed value of solar devices or renewable energy source devices subject to tangible personal property tax may be exempt from ad valorem taxation, subject to limitations provided by general law.

*Property Dedicated In Perpetuity for Conservation.* The Constitution of the State of Florida provides that there shall be granted an ad valorem tax exemption for certain real property dedicated in perpetuity for conservation purposes, including real property encumbered by perpetual conservation easements or by other perpetual conservation protections, as defined by general law.

*Homestead Exemption.* The Constitution of the State of Florida provides for a homestead exemption. Every person who has the legal title or beneficial title in equity to real property in the State and who resides thereon and in good faith makes the same his or her permanent residence or the permanent residence of others legally or naturally dependent upon such person is eligible to receive a homestead exemption of up to \$50,000. The first \$25,000 applies to all property taxes, including school district taxes. The additional exemption, up to \$25,000, applicable to the assessed value of the property between \$50,000 and \$75,000, applies to all levies other than school district levies. A person who is receiving or claiming the benefit of an ad valorem tax exemption or a tax credit in another state where permanent residency, or residency of another legally or naturally dependent upon the owner, is required as a basis for the granting of that ad valorem tax exemption or tax credit is not entitled to the homestead exemption. In addition to the general homestead exemption described in this paragraph, the following additional homestead exemptions are authorized by State law.

*Certain Active Duty Military and Veterans.* A military veteran who was honorably discharged, is a resident of the State, and who is disabled to a degree of 10% or more because of misfortune or while serving during wartime may be entitled to a \$5,000 reduction in the assessed value of his or her property. This exemption is not limited to homestead property. A military veteran who was honorably discharged with a

service-related total and permanent disability may be eligible for a total exemption from taxes on homestead property. Under certain circumstances, the veteran's surviving spouse may be entitled to carry over these exemptions.

*Permanently and Totally Disabled Veterans.* A military veteran who is a resident of the State and was honorably discharged with a service-related total and permanent disability may be eligible for a total exemption from taxes on property they own and use as their homesteads. A similar exemption is available to disabled veterans confined to wheelchairs. Under certain circumstances, the veteran's surviving spouse may be entitled to carry over these exemptions.

*Discounts for Disabled Veterans.* Each veteran who is age 65 or older and is partially or totally permanently disabled may receive a discount on the assessed value of the property that the veteran owns and uses as a homestead. The discount is a percentage equal to the percentage of the veteran's permanent, service-connected disability as determined by the United States Veteran's Affairs.

*Deployed Military Personnel.* Each person who receives a homestead exemption; who was a member of the United States military or military reserves, the United States Coast Guard or its reserves, or the Florida National Guard; and who was deployed during the preceding calendar year on active duty outside the continental United States, Alaska, or Hawaii in support of military operations designated by the Florida Legislature shall receive an additional exemption equal to a percentage of the taxable value of his or her homestead property. The applicable percentage shall be calculated as the number of days during the preceding calendar year the person was deployed on active duty outside the continental United States, Alaska, or Hawaii in support of military operations designated by the legislature divided by the number of days in that year.

*Survivors of First Responders.* Any real estate that is owned and used as a homestead by the surviving spouse of a first responder (law enforcement officer, correctional officer, firefighter, emergency medical technician or paramedic), who died in the line of duty may be granted a total exemption on homestead property if the first responder and his or her surviving spouse were permanent residents of the State on January 1 of the year in which the first responder died.

*Certain Totally and Permanently Disabled Persons.* Any real estate used and owned as a homestead by a quadriplegic, less any portion used for commercial purposes, is exempt from all ad valorem taxation. Real estate used and owned as a homestead by a paraplegic, hemiplegic, or other totally and permanently disabled person, who must use a wheelchair for mobility or who is legally blind, is exempt from taxation if the gross household income is below statutory limits.

Other Exemptions. Other exemptions include, but are not limited to, nonprofit homes for the aged (subject to income limits for residents), proprietary continuing care facilities, not for profit sewer water/waste water systems, certain hospital facilities and nursing homes for special services, charter schools, certain historic property used for commercial purposes, and certain tangible personal property.

## **Legislation Relating to Ad Valorem Taxation**

Recent Amendments Relating to Ad Valorem Taxation. In recent legislative sessions, several legislative proposals and constitutional amendments were passed affecting ad valorem taxation, including exempting the assessed value of a renewable energy device from tangible personal property tax and prohibiting consideration of the just value of such devices when determining the assessed value of real property, providing for tax classification of agricultural lands during periods of eradication or quarantine, deleting requirements that conservation easements be renewed annually, providing that just value of real

property shall be determined in the first tax year for income restricted persons age 65 or older who have maintained such property as the permanent residence for at least 25 years, authorizing a first responder who is totally and permanently disabled as a result of injuries sustained in the line of duty to receive relief from ad valorem taxes assessed on homestead property, revising procedures with respect to assessments, hearings and notifications by the value adjustment board, and revising the interest rate on unpaid ad valorem taxes.

Proposed Constitutional Amendments Relating to Ad Valorem Taxation. During the 2020 Florida legislative session, a constitutional amendment was proposed by the Legislature which would extend the discount on ad valorem taxes provided to certain honorably discharged veterans to their spouses (the "Surviving Spouse Exemption"). Specifically, the Surviving Spouse Exemption would allow the same ad valorem tax discount on homestead property for combat-disabled veterans age 65 or older to transfer to the surviving spouse of a veteran receiving the discount if the surviving spouse holds the legal or beneficial title to the homestead, permanently resides thereon, and does not remarry. The Surviving Spouse Exemption will be voted on at the November 2020 general election and must be approved by 60% of the electorate voting in such election. If approved, such amendment would take effect on January 1, 2021.

During the 2020 Florida legislative session, a constitutional amendment was proposed by the Legislature which would extend the period for a homestead property owner to transfer a prior Save Our Homes Benefit to a new homestead from two years to three years (the "Portability Amendment"). If approved by the voters, a homeowner who establishes a new homestead as of January 1 would be able to have the new homestead assessed at less than just value if the homeowner received a prior homestead exemption as of January 1 of any of the immediately preceding three years. The Portability Amendment will be voted on at the November 2020 general election and must be approved by 60% of the electorate voting in such election. If approved, such amendment would take effect on January 1, 2021.

Future Amendments Relating to Ad Valorem Taxation. Historically, various legislative proposals and constitutional amendments relating to ad valorem taxation have been introduced in each session of the Florida Legislature. Many of these proposals have provided for new or increased exemptions to ad valorem taxation and limited increases in assessed valuation of certain types of property or otherwise restricted the ability of local governments in the State to levy ad valorem taxes at current levels. There can be no assurance that similar or additional legislative or other proposals will not be introduced or enacted in the future that would have a material adverse effect upon the collection of ad valorem taxes by the District, the District's finances in general or the District's ad valorem taxing power.

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## Property Tax Levies and Collections

The following table shows the District's property tax levies and collections for Fiscal Years 2009-10 through 2018-19. The District cannot make any assurance that prior years' levies and collection rates will be representative of levies and collection rates in future years. See also "AD VALOREM TAXATION—Legislation Relating to Ad Valorem Taxation" and "RISK FACTORS – Coronavirus (COVID-19)" herein.

### Property Tax Levies and Collections Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Collected to End of Tax Year		Delinquent Collections <sup>(1)</sup>	Collected in Fiscal Year	
		Current Tax Collections <sup>(1)</sup>	Percent of Levy		Total Collections <sup>(1)</sup>	Percent of Levy
2019	\$667,341,930	\$639,994,245	95.90%	\$1,125,243	\$641,119,488	96.07%
2018	623,746,368	598,702,459	95.99	668,706	599,371,165	96.09
2017	601,253,945	577,457,540	96.04	1,346,771	578,804,312	96.27
2016	585,846,513	562,013,067	95.93	1,408,877	563,421,944	96.17
2015	551,207,182	529,052,460	95.98	1,502,351	530,554,811	96.25
2014	538,166,770	515,483,196	95.79	4,151,492	519,634,688	96.56
2013	521,066,245	497,507,461	95.48	6,707,034	504,214,495	96.77
2012	535,661,273	512,201,737	95.62	2,563,795	514,765,532	96.10
2011	537,023,488	508,048,259	94.60	4,153,742	512,202,011	95.38
2010	607,883,201	578,606,240	95.18	5,134,542	583,740,782	96.03

<sup>(1)</sup> Net of allowable discounts.

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 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.

Sources: *Comprehensive Annual Financial Report of the School District of Hillsborough County, Florida for the Fiscal Year ended June 30, 2019.*

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## Principal Property Taxpayers

The following table contains the list of the ten largest taxpayers in the County. No single taxpayer paid more than 2.37% of the total ad valorem taxes levied in the Fiscal Year 2018-19.

### Principal Taxpayers Fiscal Year 2018-19 (amount in thousands)

Taxpayer	Type of Business	Rank	Total Tax	Assessed Value	Percentage of Total Assessed Value
Tampa Electric Company	Electric Utility	1	\$46,616	\$2,442,908	2.37%
Hillsborough Aviation Authority	Transportation	2	13,914	664,259	0.71
Frontier Communications	Communications	3	9,078	466,137	0.46
Highwoods/Florida Holding	Real Estate Management	4	8,349	387,031	0.42
Mosaic Fertilizer, LLC	Mining	5	7,978	417,776	0.41
Post Apartment Homes LP	Real Estate/Apartment	6	6,381	304,279	0.32
Westfield	Shopping Malls	7	6,278	330,197	0.32
Wal-Mart	Retail Sales	8	4,712	230,661	0.24
Metropolitan Life	Insurance	9	4,284	203,052	0.22
Liberty Property	Property Management	10	3,716	183,663	0.19
Total			\$111,306	\$5,629,963	5.66%

Source: The School Board of Hillsborough County, Florida

## LEGISLATIVE CHANGES AFFECTING DISTRICT REVENUES

### Class Size Reduction

Amendment 9 to the Constitution of the State of Florida requires that the Florida Legislature provide funding for sufficient classrooms so that class sizes can be reduced to certain constitutional class size maximums by the beginning of the 2011 school year. Section 1003.03, Florida Statutes, implements Amendment 9 (together with Amendment 9, the "Class Size Legislation").

The Class Size Legislation establishes constitutional class size maximums limiting students per class to no more than 18 for pre-kindergarten through third grade, 22 for grades fourth through eighth and 25 for grades ninth through 12th. Compliance is determined on a period-by-period basis. In the event a school district is not in compliance with such requirements, the legislation provides that the State shall reduce the FEFP categorical funds and the base student allocation due to such school district for operational purposes. For those school districts that are in compliance with the constitutional amendment additional funds shall be distributed. The additional distribution is calculated by taking 25% of the total funds reduced from those school districts not in compliance and distributing an amount up to 5% of the base student allocation multiplied by the total district full-time equivalent students. School districts not in compliance are required to submit to the Commissioner a corrective action plan that describes specific actions the district will take in order to fully comply with the requirements by October of the following year. If the district submits the certified plan by the required deadline, the funds remaining after the reallocation to

school districts will be reallocated based upon each school district's proportion of the total reduction. However, no district shall have an amount added back that is greater than the amount that was reduced.

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

The Class Size Legislation requires each school board to consider implementing various policies and methods to meet these constitutional class sizes, including encouraging dual enrollment courses, encouraging the Florida Virtual School, maximizing instructional staff, reducing construction costs, using joint-use facilities, implementing alternative class scheduling, redrawing attendance zones, implementing evening and multiple sessions and implementing year-round and non-traditional calendars.

Due to the District's student assignment process, the District is on a school wide average for its schools of choice. As of the January 17, 2020 Survey, the week during which the Department of Education determined compliance with class size maximum for the 2019-20 school year, the District was in compliance with the requirements of the Class Size Legislation, and the District expects to be in compliance in the current school year. There can be no assurances that the District will be able to maintain its class size in the manner currently mandated by the Class Size Legislation. While the Class Size Legislation requires that the Florida Legislature, and not local school districts, is generally responsible for the cost of compliance, there can be no assurance that the Florida Legislature will provide funds sufficient to meet the ongoing capital, facility, and operating needs of the District required by the Class Size Legislation. Further, there can be no assurance that the District will have funds sufficient to meet the ongoing capital, facility and operating needs of the District required by the Class Size Legislation or that compliance therewith will not adversely affect other capital needs and operating costs of the District.

### **Pre-K Programs**

The Constitution of the State of Florida provides that every four-year-old child in the State shall be offered a free, high quality pre-kindergarten learning opportunity by the State. Chapter 1002, Part V, Florida Statutes, creates a statewide Voluntary Pre-kindergarten Education Program (together with the Constitutional amendment, the "Pre-K Legislation"). Among other things, the Pre-K Legislation provides eligibility and enrollment requirements, authorizes parents to enroll their children in a school-year pre-kindergarten ("Pre-K") program delivered by a private Pre-K provider, a summer program delivered by a public school or private Pre-K provider or, if offered in a school district that meets class-size reduction requirements, a school year Pre-K program delivered by a public school. The Pre-K Legislation also requires school districts to deliver summer Pre-K programs and permits school districts to deliver school year Pre-K programs. Additionally, the Pre-K Legislation appropriates State funds to finance the Pre-K programs and provides the method for calculating the funds allocated to each Pre-K program provider.

There can be no assurance that the Florida Legislature will provide funds sufficient to meet the ongoing capital and facility needs of the District required by the Pre-K Legislation. Further, there can be no assurance that the District will have funds sufficient to meet the ongoing capital and facility needs of the District required by the Pre-K Legislation or that ongoing compliance therewith will not adversely affect other capital needs and operating costs of the District.

## **Reading Mandate**

In 2012, the Florida Legislature mandated that all elementary schools which are determined to be among the lowest 100 schools in the State for reading performance must provide an additional hour of reading instruction beyond the normal school day. In 2014, the Florida Legislature expanded the mandate to include the lowest 300 schools in the State. For Fiscal Year 2019-20, the State determined that 43 elementary schools in the District fell into the lowest 300 designation. The cost of implementing an additional hour of reading at these schools was \$4,671,787 for Fiscal Year 2015-16 and \$7,204,323 for Fiscal Year 2016-17. In 2018, the Florida Legislature provided that the extra hour of reading instruction could be incorporated into the normal school day. As such, the District has not budgeted any revenues for implementing an additional hour of reading at these schools for Fiscal Year 2017-18 and thereafter.

## **Educational Choice**

During its 2016 Regular Session, the Florida Legislature approved House Bill 7029 ("HB 7029"). Among other things, HB 7029 allows a parent to seek enrollment in and transport his or her child to any public school in the State, including a charter school, which has not reached capacity. The school district or charter school shall accept and report the student for purposes of funding through the FEFP. The school district or charter school may provide student transportation at their discretion. HB 7029 requires the capacity determinations of each school district and charter school to be current and identified on their respective school websites. Each school must provide preferential treatment in its controlled open enrollment process to: (a) dependent children of active duty military personnel who moved as a result of military orders, (b) children relocated due to foster care placement in a different school zone, (c) children relocated due to a court ordered change in custody as a result of separation or divorce, or the serious illness or death of a parent, and (d) students residing in the school district. Students residing in the school district may not be displaced by a student from another school district. A student who transfers may remain at the school until the student completes the highest grade level offered. This amendment took effect with the 2017-18 school year. At present, the impact of the school choice provisions of HB 7029 on the District's finances has been minimal.

HB 7029 also revises the method for enforcing compliance with the Class Size Legislation to clarify that for purposes of enforcing compliance, the calculation is based upon the statutory formula used to determine the reduction in class size categorical funding for noncompliance. See "LEGISLATIVE CHANGES AFFECTING DISTRICT REVENUES – Class Size Reduction." At present, it is not anticipated that the Class Size Legislation compliance enforcement provisions of HB 7029 will have any significant impact on the District's finances.

## **Construction Cost Maximums**

Section 1013.64(6)(b), Florida Statutes, prohibits a district school board from using funds from any sources (including the Sales Tax Revenues and educational impact fees) for new construction of educational plant space with a total cost per student station, including change orders, greater than the amounts set forth in Section 1013.64(6)(b)1, Florida Statutes, as adjusted. However, if a contract for architectural and design services or for construction management services has been executed before July 1, 2017, a district school board may use funds from any sources for the new construction of educational plant space and such educational plant space is exempt from the total cost per student station requirements. As of July 1, 2019, if the new construction of educational plant space is subject to a lease-purchase agreement entered into pursuant to Section 1011.71(2)(e), Florida Statutes (such as the Series 1999 Lease Agreement and the Series 2003B Lease Agreement), a district school board (i) may use certain local funding sources (including the

Sales Tax Revenues, educational impact fees, and voter approved ad valorem taxes, in each case if legally available for such purpose) to pay for the new construction of educational plant space, and (ii) may, but is not required to, use Capital Outlay Millage revenues and certain state funding sources to pay for the portion of the cost for new construction of educational plant space which does not exceed the total cost per student station requirements or for certain other costs that are not included in cost per student station calculation (such as legal and administrative costs, site improvement costs, costs related to hurricane sheltering/hardening and school security hardening/capital costs). As the Series 2020 Certificates are not financing any new construction, the provisions of Section 1013.64(6)(b), Florida Statutes are not applicable. However, to the extent the District funds any new construction, or issues any indebtedness to finance new construction that is not subject to a lease-purchase agreement entered into pursuant to Section 1011.71(2)(e), Florida Statutes, the District will be required to comply with such construction cost maximums. As of the date hereof, the sanctions, if any, that may be levied against a school district for exceeding the construction costs maximums are not known. Notwithstanding the foregoing, to the extent applicable, the District expects to be in compliance with the construction costs maximum limits with respect to any new construction. The construction cost maximums do not apply to the Series 1999 Project or the Series 2003B Project.

### **Distribution of Capital Outlay Millage Revenues to Charter Schools**

In 2017, the Florida Legislature passed HB 7069 which, among other things, required school districts to distribute revenues generated from the Capital Outlay Millage on a per student basis between traditional schools and charter schools. See "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS – Local Sources – Ad Valorem Taxes" herein for more information regarding the provisions of HB 7069.

On October 17, 2017, thirteen State district school boards (collectively, the "Plaintiff School Boards"), filed their suit in the Circuit Court of the Second Judicial Circuit in and for Leon County, Florida, against the Florida Department of Education, the State Board of Education, and its Commissioner and Chair, challenging, among other things, the provisions of HB 7069 requiring school districts to distribute Capital Outlay Millage revenues to charter schools, and seeking declaratory and injunctive relief. In addition to challenges to other provisions of HB 7069, the complaint alleged that the provisions of HB 7069 which require the Plaintiff School Boards to distribute Capital Outlay Millage revenues to charter schools in their respective districts (a) constitutes an unconstitutional infringement on the Plaintiff School Boards' authority to control and supervise the use of Capital Outlay Millage revenues within their jurisdictions by redirecting that authority to the unelected governing boards of charter schools, (b) are in effect an ad valorem tax levied by the State in violation of the Florida Constitution, and (c) constitutes an unconstitutional diversion of the Plaintiff School Boards' locally levied and raised ad valorem tax revenues to a state purpose mandated by the Legislature. On April 5, 2018, the trial court entered a summary judgment against the Plaintiff School Boards on all counts. On August 29, 2019, the First District Court of Appeal affirmed the summary judgment. On April 7, 2020, the Florida Supreme Court declined to accept jurisdiction in the case.

On September 28, 2017, The School Board of Palm Beach County, Florida (the "School Board of Palm Beach County") filed its own lawsuit against the Florida State Board of Education, the Florida Department of Education, and its Commissioner, in the Circuit Court of the Second Judicial Circuit in and for Leon County, Florida, seeking declaratory and injunctive relief. The complaint alleged the provisions of HB 7069 requiring the School Board of Palm Beach County to distribute Capital Outlay Millage revenues to charter schools in the District (a) constitute an unlawful infringement on the School Board of Palm Beach County's constitutionally granted authority to operate, control and supervise all free public schools in the



District, (b) place an unconstitutional constraint on the School Board of Palm Beach County's authority to levy ad valorem taxes for its own purposes, and (c) are in effect an ad valorem tax levied by the State in violation of the Florida Constitution. On January 18, 2018, the Court denied the School Board of Palm Beach County's motion for a preliminary injunction. On June 1, 2018, the Court granted a motion for stay pending appeal of the Plaintiff School Boards' lawsuit described above.

On November 13, 2017, nine State district school boards (the "Petitioner School Boards") filed petitions for writs of quo warranto and mandamus in the Supreme Court of Florida against the Speaker of the Florida House of Representatives, the President of the Florida Senate, the Florida House of Representatives, the Florida Senate, the Secretary State of Florida, and the Florida Commissioner of Education (collectively, the "Respondents"). The petition requested that the Florida Supreme Court exercise its discretion and accept original jurisdiction over the petition to prevent direct and immediate adverse effects on the functions of State school boards. On December 19, 2017, the Florida Supreme Court transferred the petitions for writs of quo warranto and mandamus to the Circuit Court of the Second Judicial Circuit in and for Leon County, Florida. On February 11, 2020, the case was dismissed with prejudice pursuant to a joint stipulation between the parties.

At this time, the outcome of the pending suit or any appeals thereto cannot be determined. Even if these provisions of HB 7069 are ultimately upheld, they are not expected to adversely affect the ability of the School Board to make Basic Rent Payments.

In 2018, the Florida Legislature passed Committee Substitute for House Bill 7055 ("CS/HB 7055"). CS/HB 7055, among other things, revises certain of the requirements of HB 7069 relating to the required sharing of the Capital Outlay Millage revenues with charter schools. See "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS – Local Sources – Ad Valorem Taxes" herein for more information regarding the provisions of CS/HB 7055.

At this time, the School Board cannot determine the long-term impact of HB 7069 and CS/HB 7055 on the amount of revenues available to the School Board from the Capital Outlay Millage to make Basic Rent Payments under the Master Lease in future years. While HB 7069 and CS/HB 7055 may result in a reduction in the amount of Capital Outlay Millage revenues of the District, the Board, at this time, does not expect the long-term impact of HB 7069 and CS/HB 7055 to materially adversely affect its ability to make Basic Rent Payments under the Master Lease.

### **Schools of Hope**

In addition to the requiring school districts to share the Capital Outlay Millage with charter schools, HB 7069 also established the Schools of Hope Program to encourage traditional public schools within the State and charter operators throughout the country to replicate their model and service students from persistently low-performing schools. These provisions, now codified in Section 1002.333, Florida Statutes, provide for the establishment of Schools of Hope, which are charter schools operated by a Hope Operator to service students from one or more persistently low-performing schools; are located within a Florida Opportunity Zone (as defined therein) or the attendance zone of the persistently low-performing school or within a five mile radius of such school, whichever is greater; and is a Title I eligible school. Section 1002.333, Florida Statutes, defines "persistently low-performing schools" as schools that have earned three consecutive school grades below a "C" in at least three of the previous five years and have not earned a "B" or higher in the two most recent years, and defines "Hope Operators" as nonprofit organizations that operate three or more charter schools with a record of serving students from low-income families and receives such designation from the Florida Department of Education. Pursuant to Section 1002.333, Florida

Statutes, the statutory requirements for the application, approval, and contract that apply to charter schools do not apply to Schools of Hope; instead, a Hope Operator submits a notice of intent to a school district in order to open a School of Hope and the school district is required to enter into a performance based agreement with a Hope Operator within 60 days of receiving a notice of intent.

In addition, Section 1002.333, Florida Statutes, also (a) provides Schools of Hope with certain statutory authority, including, but not limited to, allowing a School of Hope to be designated as a local educational agency for the purposes of receiving federal funds; (b) provides that Schools of Hope are exempt from Chapters 1000-1013, Florida Statutes, and all school board policies, except any laws related to (i) the student assessment program and school grading system, (ii) student progression and graduation, (iii) provisions of services to students with disabilities, (iv) civil rights, (v) student health, safety, and welfare, (vi) public meetings, (vii) public records, and (viii) the code of ethics for public officers and employees; (c) provides provisions for facilities for Schools of Hope; (d) provides provisions for funding Schools of Hope, including that they be funded in accordance with the statutory provisions relating to funding for charter schools and be considered a charter schools for purposes of charter school capital outlay; (e) establishes the School of Hope Program to cover specified operational expenses for Schools of Hope; and (f) establishes the Schools of Hope Revolving Loan Program to help Schools of Hope cover school building construction and startup costs.

The District has 43 schools that are considered "persistently low-performing schools" under Section 1002.333, Florida Statutes. See "LEGISLATIVE CHANGES AFFECTING DISTRICT REVENUES – Distribution of Capital Outlay Millage Revenues to Charter Schools" for a discussion of various lawsuits challenging the provisions of Section 1002.333, Florida Statutes, including those related to Schools of Hope.

### **Public Safety Mandate**

In 2018, the Florida Legislature passed Senate Bill 7026 ("SB 7026") which, among other things, includes provisions designed to: enhance school safety policies, procedures, and personnel at the State and local level; improve and expand mental health services; and revise laws and empower law enforcement and the courts to limit access to firearms by young adults or by individuals exhibiting a risk of harming themselves or others. Specifically, SB 7026 requires each school board and superintendent to partner with law enforcement agencies to establish or assign one or more safe-school officers at each school facility within the district by implementing any combination of the following options: (a) establish school resource officer programs through cooperative agreements with law enforcement agencies; (b) commission one or more school safety officers for the protection and safety of school personnel, property, and students within the school district; (c) at a school district's discretion, and if established by the sheriff's office, participate in the Guardian Program, which allows certain school employees (but not employees who exclusively perform classroom duties as classroom teachers) to carry a firearm on school grounds if such employee volunteers and completes the statutorily required training. During the 2019 Regular Session, the Florida Legislature passed CS/CS/SB 7030 ("SB 7030") which, among other things, removes the prohibition on individuals who perform exclusively classroom duties as teachers from participation in the guardian program. However, the decision to allow teachers to be armed guardians remains with each individual school board. The District does not plan to arm its teachers under the Guardian Program.

For Fiscal Year 2019-20, the Florida Department of Education allocated \$11,019,937.00 to the District for school safety, an increase of \$1,025,591. Of this, approximately \$1,415,641.82 will be allocated to charter schools. The remaining \$9,604,295.18 will be applied to the total cost of implementing SB 7026, which is approximately \$9,994,357. The additional cost to the District will be funded from the general fund. The

District has established a school resource officer program through cooperative agreements with law enforcement agencies while hiring and training its own school resource officers.

## **RISK FACTORS**

The purchasers of the Series 2020 Certificates are subject to certain risks. Each prospective investor in the Series 2020 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 2020 Certificates to an extent that cannot be determined. The following is not, and is not intended to be, a complete description of all the risk factors that may affect the repayment of the Series 2020 Certificates.

### **Annual Right of the Board to Terminate the Lease Agreement**

Although the Board has determined in the Master Lease that the Refinanced Projects are necessary to its operations and currently intends to continue the Series 1999 Lease Agreement and the Series 2003B Lease Agreement for their respective Maximum Lease Terms, and has covenanted in the Series 1999 Lease Agreement and the Series 2003B 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 Refinanced Projects, 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 Refinanced Projects, the Prior Projects, and all other Projects (other than Designated Equipment) to the Trustee within seven Business Days after the date on which such Event of Non-Appropriation occurs.

THE LIKELIHOOD THAT THE SERIES 1999 LEASE AGREEMENT AND THE SERIES 2003B 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 REFINANCED PROJECTS AND THE 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 Master 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 Refinanced Projects (other than Designated Equipment). However, due to the governmental nature of the Refinanced Projects, it is not certain whether a court would permit the exercise of the remedies to sell, relet, or dispose of the Refinanced Projects. Also, there is no assurance that the Trustee will be able to sell, relet, or dispose of the components of the Refinanced Projects or that the Owners of the Series 2020 Certificates will obtain payment of all or any portion of the Principal Component or Interest Component thereof upon an Event of Default under the Master Trust Agreement.

### **No Series 2020 Reserve Account**

There is no Reserve Account for the Series 2020 Certificates. However, pursuant to a Supplemental Trust Agreement authorizing the issuance of any Series of Certificates, there may be established and maintained a separate Reserve Account to secure the payment of the principal and/or interest portion of the Basic Rent Payments related to such Series of Certificates. Each such Reserve Account shall secure only the Series of Certificates for which it has been established. See "APPENDIX D: MASTER TRUST AGREEMENT, AS AMENDED, AND FORMS OF THE SERIES 2020A SUPPLEMENTAL TRUST AGREEMENT AND THE SERIES 2020B SUPPLEMENTAL 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 2020A Certificates and the Interest Component of Basic Rent Payments represented by the Series 2020A Certificates will be excludable from gross income for federal income tax purposes. See "TAX MATTERS" herein.

### **Applicability of Securities Laws**

In the event of the termination of the Master Lease, the transfer of a Series 2020 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 2020 Certificates (and consequently the market price thereof) will not be impaired following termination of the Master Lease.

### **Capital Outlay Millage**

The amount which can be realized by the District derived from the Capital Outlay Millage can be affected by a variety of factors not within the control of the District or the Board including, without limitation, fluctuations in the level of the assessed valuation of property within the District and the amount of general business activity, growth and new construction that occurs within the District, or changes in applicable law. See "AD VALOREM TAXATION."

Moreover, the maximum Capital Outlay Millage that may be levied and used for Lease Payments is subject to legislative change and may be subject to sharing with charter schools in the District in future years. See "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS – Local Sources" and "LEGISLATIVE CHANGES AFFECTING DISTRICT REVENUES – Distribution of Capital Outlay Millage Revenues to Charter Schools."

### **State Revenues**

A large portion of the District's funding is derived from State sources. See "FINANCIAL RESULTS AND LIABILITIES OF THE DISTRICT." A significantly large percentage of such State revenues is generated from the levy of the State sales tax. The amounts budgeted for distribution from the State to the District are subject to change in the event that projected revenues are not realized.

On May 1, 2019, the Florida Legislature adopted a State education budget for State fiscal year 2019-20 providing for an approximately \$21,848,530,267 million or 3.27% increase in State and local FEFP funding for K-12 public schools over State fiscal year 2018-19, reflecting a per-pupil increase of approximately \$242.60 per student, or 3.27%, over Fiscal Year 2018-19. The estimated increase for the District is approximately \$66,846,174 in funds over Fiscal Year 2018-19.

On March 19, 2020, the Florida Legislature adopted a State education budget for State Fiscal Year 2020-21 providing for an approximately \$776 million or 3.55% increase in State and local FEFP funding for K-12 public schools over State Fiscal Year 2019-20, reflecting a per-pupil increase of approximately \$183 per student, or 2.40%, over Fiscal Year 2019-20. The approved budget eliminates the Best and Brightest Teacher/Principal bonus program and, in turn, provides for \$500 million for teacher salary increases intended to raise the minimum teacher salary in the State to \$47,500. The funds for minimum teacher salary increases are provided via a new State categorical program, the Teacher Salary Increase Allocation. The budget provides that funds earmarked for teacher salary increases shall be allocated based on each district's share of the base FEFP allocation, and that such funds may be provided in multiple years in order to achieve a particular salary goal. The budget has not yet been sent to the Governor for approval, and the Governor will have 15 days after receiving it to act upon it. The Governor has line-item veto power over specific items in the budget, so there can be no assurance that the final budget signed into law by the Governor will be identical to that passed by the Legislature. If the budget is approved in its current form, the estimated increase for the District will be approximately \$66,478,311 in State and local FEFP funds over Fiscal Year 2019-20, of which \$38,640,324 is part of the Teacher Salary Increase Allocation. The District estimates the cost of raising the minimum teacher salary in the District to \$47,500 will be approximately \$27.6 million. However, there can be no assurance that funding for K-12 public schools will increase exactly as provided for in the approved budget.

The State's budget described above was developed in the months before the novel coronavirus began impacting the economy. The impact of COVID-19 on the State's economy is expected to result in decreased State revenues for the duration of the pandemic, including without limitation State sales tax revenues, which form a significant portion of the State's overall revenues. The District cannot currently predict the extent of the impact that such a decrease in State revenues will have on the State's budget or on the level of funding the State will ultimately provide to the District. The State has previously provided disclosure indicating that the Governor is expected to call a special legislative session to make amendments to the budget in response to COVID-19; however, no special session has yet been called, and the District cannot predict the nature or extent of any budgetary amendments that could be adopted at such session. See "RISK FACTORS – Coronavirus (COVID-19)" herein.

### **Additional Lease Schedules**

The Board may enter into other Lease Schedules in addition to the Series 1999 Lease Agreement and the Series 2003B Lease Agreement and the Prior Lease Agreements. 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 Series 1999 Lease Agreement and the Series 2003B Lease Agreement. Upon any such termination of all Lease Schedules, the Board must surrender all Projects (other than Designated Equipment), including the Refinanced Projects, 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 either Series of the Series 2020 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 Refinanced Projects, as applicable. See "SECURITY FOR THE SERIES 2020A CERTIFICATES – Master-Lease Aspects" herein. In no event will Series 2020 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 Refinanced Projects will produce sufficient amounts to pay the respective Series 2020 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 2020 Certificates. Incurring such additional indebtedness may adversely affect the Board's ability to make Lease Payments under the Master Lease. See "SECURITY FOR THE SERIES 2020 CERTIFICATES – Additional Certificates and Other Indebtedness" herein.

### **Legislative Changes**

In recent years, legislation has been introduced that has reduced State funding for school districts, required that certain percentages of school district funding be spent on particular activities and imposed additional funding restrictions and other requirements on school districts. Many proposals have sought to provide for new or increased exemptions to ad valorem taxation, limit increases in assessed valuation of certain types of property or otherwise restrict the ability of local governments in the State to levy ad valorem taxes at historical levels. Other proposals have sought to restrict the ability of local governments to use certain revenues for payment of debt service or provide for additional procedures and notices in order to issue tax-supported debt. There can be no assurance that similar or additional legislative or other proposals will not be introduced or enacted in the future that would, or might apply to, or have a material adverse effect upon, the District or its finances.

### **Constitutional Amendments**

See "AD VALOREM TAXATION – Legislation Relating to Ad Valorem Taxation," and "LEGISLATIVE CHANGES AFFECTING DISTRICT REVENUES" for information concerning certain amendments to the Constitution of the State of Florida and other legislative proposals that could materially adversely affect the District's financial situation.

### **Property and Casualty Insurance**

As a result of the substantial property damage caused by hurricanes and other storms in the State and other parts of the United States over the last few years, property insurance premiums have risen dramatically for State property owners. It has become impossible or economically impracticable for many school districts within the State, including the District, to obtain property insurance with the level of coverage they have historically secured.

Under the current provisions of the Lease Agreement, the District is required to purchase property insurance 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 District's current property insurance provides for coverage limits of \$100,000,000 with no self-insured retention. The windstorm coverage has a deductible of 5% of the total insured value with a minimum deductible of \$250,000 per occurrence. The Florida Office of Insurance Regulation validated that the District's property insurance meets the requirements for reasonable insurance coverage. However, the District currently does not comply with the property insurance requirements contained within the Master Lease provisions with respect to its deductible limits. In the event the District suffers substantial damage to its property that is not covered by

its current insurance or is not eligible for Federal reimbursement, the District's financial condition could be adversely impacted.

### **Climate Change and Natural Disasters**

The State is naturally susceptible to the effects of extreme weather events and natural disasters including floods, droughts, and hurricanes, which could result in negative economic impacts on coastal communities such as the District. Such effects can be exacerbated by a longer term shift in the climate over several decades (commonly referred to as climate change), including increasing global temperatures and rising sea levels. The occurrence of such extreme weather events could damage the Projects, including the Refinanced Projects, or the local infrastructure that provides essential services to the District. The economic impacts resulting from such extreme weather events could include a loss of property values, a decline in revenue base (e.g., the Capital Outlay Millage revenues), and escalated recovery costs. No assurance can be given as to whether future extreme weather events will occur that could materially impair the financial condition of the District or damage the Projects.

### **Effects of Sequestration on Lease Payments**

Pursuant to the Balanced Budget and Emergency Deficit Control Act, as amended, the President of the United States ordered that certain automatic spending cuts be implemented pursuant to calculations provided by the United States Office of Management and Budget in its Report to the Congress on sequestration dated March 1, 2013. The cuts include mandatory reductions in the amounts scheduled to be paid by the federal government to issuers of Build America Bonds, Qualified Zone Academy Bonds, Qualified School Construction Bonds, New Clean Renewable Energy Bonds and Qualified Energy Conservation Bonds (collectively, "Direct-Pay Bonds") under Section 6431 of the Internal Revenue Code.

Payments to issuers of Direct-Pay Bonds from the budget accounts associated with these bonds were originally subject to an effective reduction of 8.7% of the amount budgeted for such payments on and after March 1, 2013 through September 30, 2013. For payments to issuers of Direct-Pay Bonds for federal fiscal year 2020, which will end September 30, 2020, the annual sequester rate is 5.9%. Unless otherwise resolved, sequestration may continue through the end of federal fiscal year 2024, with reductions in subsidy payments expected to vary between 5.5% and 7.3% of what would otherwise be received.

For federal Fiscal Year 2019-20, the School Board anticipates its aggregate expected annual Issuer Subsidy of \$2,116,773 to be reduced by 5.9% (which equates to a \$124,890 reduction), resulting in a corresponding increase in interest costs for the District that must be paid from other revenue sources. Payment of the Lease Payments on the Series 2010B Certificates is not contingent upon receipt by the School Board of such subsidy payments and the School Board does not expect that any such reduction in its subsidy payments will affect its ability to make Lease Payments on the Series 2010B Certificates.

### **Coronavirus (COVID-19)**

The District's financial results, including, without limitation, the amount of federal, state and local revenues it receives, could be adversely impacted by the outbreak of the novel strain of coronavirus called COVID-19 or other highly contagious or epidemic or pandemic diseases. While the effects of COVID-19 may be temporary, it appears to be affecting the behavior of businesses and people in a manner that may have negative impacts on state and local economies, including potential impacts on state and local commerce and, if such impacts continue, on real property values. Recently, stock markets in the U.S. and globally have seen significant fluctuations that have been attributed, at least in part, to the COVID-19 concerns.

The District continues to stay apprised of developments related to the COVID-19 outbreak. The District cannot predict with certainty the potential impacts of the outbreak on its operations or revenues, including the District's general financial position, the Sales Tax Revenues and real property valuations and resulting ad valorem taxes levied and collected; however, the District continues to actively monitor this public health threat under its applicable policies. In response to the COVID-19 outbreak, the District has closed all schools for the remainder of the school year and, commencing on March 30, 2020, began distance learning/virtual/online classes for its students which will continue for the remainder of the school year. As of May 5, 2020, the District had expended approximately \$13.95 million to provide digital devices to students to facilitate distance learning, which amount was funded from Capital Outlay Millage revenues and State categorical operating revenues.

The State derives a significant portion of its annual revenues from the collection of sales tax. The impact of COVID-19 is expected to result in significant decreases in state and local sales tax revenues as a result of decreased tourism and commercial activity throughout the State. The District cannot currently predict what impact this will have on the level of State funding the District receives or on the District's collection of Sales Tax Revenues and other local revenues. On April 21, 2020, the State of Florida made its Voluntary Disclosure Regarding the Impacts of COVID-19, which is available on the State of Florida Division of Bond Finance website. Such voluntary disclosure states: "It is expected that legislative leadership or the Governor will call a special legislative session in the next fiscal year to make amendments to the 2020-21 budget in light of the fiscal impacts of COVID-19 after consideration of revenues collected in the next few months; however, no planned date has been announced and no special session has been called." The District has not received any further insight on what distributions it will ultimately receive from the State. See "OPERATING REVENUES OF THE DISTRICT – State Sources," "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS – State Sources" and "–Local Sources," and "RISK FACTORS – State Revenues" herein.

On March 27, 2020, the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act") was signed into law. Among other provisions, the CARES Act created an Education Stabilization Fund to support K-12 schools and colleges and universities during the COVID-19 outbreak. The Educational Stabilization Fund includes a total of \$30.75 billion in relief divided into three separate pools: 1) funds to K-12 schools; 2) funds to higher education; and 3) and funds to governors. Florida is projected to receive approximately \$724.4 million in funds for K-12 schools, approximately \$791.4 million in funds for higher education and approximately \$173 million in funds to the Governor for use as grants to local educational agencies. Funds for K-12 schools are expected to be distributed to school districts and charter schools based on their share of Title I-A funds. Funds to local districts can be used for coronavirus-response activities, such as planning for and coordinating during long-term school closures, purchasing educational technology to support online learning for all students, and additional activities authorized by federal elementary and secondary education laws. Funds in the Governor's Education Relief Fund can be used at the Governor's discretion to provide emergency support grants to K-12 schools, colleges and universities and child care/early education providers. The CARES Act requires that any entity that receives funds from the education stabilization fund must continue to pay its employees and contractors to the extent practicable during the period of any disruptions or closures related to coronavirus. The District cannot currently predict the full impact of the CARES Act on the District's operations.

## **Cybersecurity**

Computer networks and systems used for information transmission and collection are vital to the efficient operations of the District. District systems provide support to departmental operations and District services by collecting and storing sensitive information, including intellectual property, security



information, proprietary business process information, information regarding supplies and business partners, and personally identifiable information of students and employees (collectively, "Computer Information"). The secure processing, maintenance and transmission of Computer Information is critical to effective departmental operations and the appropriate provision of services. Increasingly, governmental entities are being targeted by cyberattacks seeking to obtain Computer Information or disrupt critical services. A rapidly changing cyber-risk landscape may introduce new vulnerabilities that attackers and hackers can exploit in their efforts to effect breaches or service disruptions. Employee error and/or malfeasance may also contribute to a loss of Computer Information or other system disruptions. The District considers security and privacy of computer information is a high priority and utilizes best business practices to ensure its safety.

While District cybersecurity and operational safeguards are periodically tested, no assurances can be given that such measures will prevent all cybersecurity threats or ensure the confidentiality, integrity or availability of the District's computer system or the Computer Information. The potential disruption, access, modification, disclosure or destruction of Computer Information could result in the interruption of District services, the initiation of legal claims or proceedings, liability under laws that protect the privacy of personal information, and regulatory penalties, and could cause a material disruption in the District's operations or appropriate provision of District services. The costs of remedying any such damage or protecting against future attacks could be substantial and in excess of the maximum amount any available cyber-risk insurance policies. Further, the litigation to which the District could be exposed following a cybersecurity breach could be significant, which could cause the District to incur material costs related to such legal claims or proceedings.

### **Future Capital Needs**

On April 6, 2017, the Board received a Long Range School Planning Study (the "Planning Study") it commissioned to provide the Board a long range planning tool to address the impacts of upcoming growth. The Planning Study projected annual population growth in the County of approximately 1.3% and, based on that projection, estimated that the District will need to construct between 23 and 38 schools over the next 15 years to address future capacity needs at an estimated cost of approximately \$1 billion to \$1.2 billion. In addition, the Planning Study estimated that the District's maintenance/renovation funding needs are approximately \$2.5 billion through Fiscal Year 2031-32, which includes approximately \$914 million in current maintenance/renovation needs. The Board is exploring all options to pay for such anticipated future capital project needs, including the use of current revenue sources (the Capital Outlay Millage Levy, the Sales Tax Revenues, and educational impact fees) and potential new funding sources (half-cent school infrastructure tax, general obligation bonds, and public/private partnerships). The need for such capital projects is, in large part, dependent on the actual growth of the District; therefore, the timing, costs, and financing sources of such future capital projects is not currently known. As a result, the Planning Study recommends the Board review enrollment growth patterns and adjust future school projects, school boundaries, and needs on an annual basis.

### **LITIGATION**

Concurrently with the delivery of the Series 2020 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 2020 Certificates, the Master Lease, the Series 1999 Lease Agreement or the Series 2003B Lease Agreement, or (ii) questioning or affecting the validity of the Series 2020 Certificates, the Master Lease, the Series 1999 Lease Agreement, the Series 2003B 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 2020 Certificates or the transactions contemplated by this Offering Statement or the Master Lease, the Series 2020A Trust Agreement, the Series 2020B Trust Agreement, the Series 1999 Lease Agreement, the Series 2003B Lease Agreement, the Series 1999 Ground Lease, the Series 2003B Ground Lease 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 2020 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.

#### **DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS**

Section 517.051, Florida Statutes, and the regulations promulgated thereunder require that the Board make full and fair disclosure of any bonds or other debt obligations of such entity that have been in default as to payment of principal or interest at any time after December 31, 1975. The Board is not and has not since December 31, 1975, been in default as to payment of principal and interest on its bonds or other debt obligations.

#### **TAX MATTERS**

##### **The Series 2020A Certificates**

###### General

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 2020A Certificates in order that the Interest Component of the Basic Rent Payments received by the Owners of the Series 2020A 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 2020A 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.

###### Internal Revenue Code of 1986

The Code contains a number of provisions that apply to the Series 2020A Certificates, including among other things, restrictions relating to the use or investment of the proceeds of the Series 2020A Certificates and the payment of certain arbitrage earnings in excess of the "yield" on the Series 2020A

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 2020A 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 2020A Certificates. Prospective purchasers of the Series 2020A Certificates should be aware that the ownership of the Series 2020A 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 2020A 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 2020A 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 2020A CERTIFICATE HOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE SERIES 2020A CERTIFICATE HOLDERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

#### Other Tax Matters

The Interest Component of the Basic Rent Payments related to the Series 2020A Certificates may be subject to state or local income taxation under applicable state or local laws in other jurisdictions. Purchasers of the Series 2020A 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 2020A 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 2020A Certificates. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Series 2020A 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 2020A Certificates.

#### Original Issue Premium

The Series 2020A Certificates (collectively, the "Premium Certificates") have been offered and sold to the public at a price in excess of the principal amount of such Premium Certificate, which excess constitutes to an initial purchaser amortizable bond 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. The federal income tax consequences of the purchase, ownership and sale or other disposition of Premium Certificates which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. 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 on the Premium Certificates 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 2020A CERTIFICATES OR THE RECEIPT BY THE OWNERS THEREOF OF PAYMENTS ON THE SERIES 2020A CERTIFICATES FOLLOWING THE TERMINATION OF THE SERIES 1999 LEASE AGREEMENT, AS APPLICABLE, RESULTING FROM AN EVENT OF NON-APPROPRIATION OR EVENT OF DEFAULT THEREUNDER.

### **The Series 2020B Certificates**

In the opinion of Special Counsel, the Interest Component of the Basic Rent Payments represented by the Series 2020B Certificates is not excludable from gross income of the holders thereof for federal income tax purposes. The Interest Component of the Basic Rent Payments represented by the Series 2020B Certificates may also be subject to state and local income taxation under applicable state or local laws. Purchasers of the Series 2020B Certificates should consult with their own tax advisors as to the income tax status of interest on the Series 2020B Certificates in their particular state or local jurisdiction.

Except as provided above, Special Counsel is not rendering any opinion regarding the tax consequences of owning the Series 2020B Certificates. There are several tax-related issues attendant with ownership of the Series 2020B Certificates including, but not limited to, treatment of original issue discount or premium, if any, treatment of secondary market discount or premium, if any, reporting requirements and possible application of backup withholding tax, determination of an owner's tax basis and gains or losses in connection with sales, exchanges or other dispositions of the Series 2020B Certificates, foreign ownership, ownership by certain employee benefit plans and other retirement plans and other issues. Many of the rules related to these issues are complicated and purchasers of the Series 2020B Certificates should consult their own tax advisors and professionals as to the tax consequences of the purchase, ownership and disposition of the Series 2020B Certificates under federal, state, local, foreign and other tax laws.

### **RATINGS**

Moody's and S&P have assigned ratings of "Aa3" (stable outlook) and "AA-" (stable outlook), respectively, to the Series 2020 Certificates. Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses: Moody's Investors Service, Inc., 99 Church Street, New York, New York 10007; S&P Global Ratings, 25 Broadway, New York, New York 10004. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and

assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating 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 2020 Certificates.

### **LEGAL MATTERS**

Certain legal matters in connection with the issuance of the Series 2020 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 2020 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, Akerman LLP, Tampa, Florida, and GrayRobinson, P.A., Tampa, Florida, Disclosure Counsel, and for the Corporation by Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Special Counsel. Bryant Miller Olive P.A., Tampa, Florida is serving as counsel to the Underwriters. Nabors, Giblin & Nickerson, P.A. and GrayRobinson, P.A. may, from time to time, serve as counsel to the Underwriters in transactions unrelated to the issuance of the Series 2020 Certificates. The Underwriters have not identified any potential or actual material conflicts that require disclosure.

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 2020 Certificates; provided, however, that Special Counsel shall render an opinion to the Underwriters (as to which only they may rely) of the Series 2020 Certificates relating to the accuracy of certain statements contained herein under the heading "TAX MATTERS" and certain statements which summarize provisions of the Master Lease, the Series 1999 Lease Agreement, the Series 2003B Lease Agreement, the Series 2020A Trust Agreement, the Series 2020B Trust Agreement, the Assignment, the Series 1999 Ground Lease, the Series 2003B Ground Lease, the Series 1999 Ground Lease Assignment, the Series 2003B Ground Lease Assignment, and the Series 2020 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 2020 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 2020 Certificates.

### **UNDERWRITING**

The Series 2020 Certificates are being purchased by the Underwriters (as listed on the cover page of this Official Statement), for whom BofA Securities, Inc. is serving as Senior Managing Underwriter (collectively, the "Underwriters"). The Series 2020 Certificates are being purchased by the Underwriters at a price, (a) with respect to the Series 2020A Certificates, of \$71,159,827.50 (which represents the par amount of the Series 2020A Certificates plus original issue premium of \$14,598,252.00 and less an Underwriters'

discount of \$138,424.50) and (b) with respect to the Series 2020B Certificates, of \$76,350,060.25 (which represents the par amount of the Series 2020B Certificates less an Underwriters' discount of \$179,939.75). The Underwriters' obligations are subject to certain conditions precedent, and it will be obligated to purchase all of the Certificates of a Series of Series 2020 Certificates if any Certificates of such Series are purchased. The Series 2020 Certificates may be offered and sold to certain dealers (including dealers depositing such Series 2020 Certificates into investment trusts) at prices lower than such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriters. The Underwriters have reviewed the information in this Offering Statement in accordance with and, as part of their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guaranty the accuracy or completeness of such information.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates may have, from time to time, performed and may in the future perform, various investment banking services for the Board, for which they may have received or will receive customary fees and expenses. In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Board.

BofA Securities, Inc., an underwriter of the Series 2020 Certificates, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the Series 2020 Certificates.

Jefferies LLC has entered into an agreement (the "Distribution Agreement") with E\*TRADE Securities LLC ("E\*TRADE") for the retail distribution of the Series 2020 Certificates. Pursuant to the Distribution Agreement, Jefferies will sell Series 2020 Certificates to E\*TRADE and will share a portion of its selling concession compensation with E\*TRADE.

#### **GENERAL PURPOSE FINANCIAL STATEMENTS**

The general purpose financial statements of the District for the Fiscal Year 2018-19, 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 2020 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), and the Trustee (who in turn retained Trustee's Counsel) and the Corporation has retained Counsel to the Corporation, with respect to

the authorization, sale, execution and delivery of the Series 2020 Certificates. Payment of each fee of such professionals is each contingent upon the issuance of the Series 2020 Certificates.

#### **CONTINUING DISCLOSURE**

The Board has agreed and undertaken for the benefit of Series 2020 Certificate holders and in order to assist the Underwriters in complying with the continuing disclosure requirements of Rule 15c2-12 of the Securities Exchange Commission (the "Rule"), to provide certain financial information and operating data relating to the Board, the District and the Series 2020 Certificates in each year (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events. Such undertaking shall only apply so long as the Series 2020 Certificates remain Outstanding under the Master 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 the Municipal Securities Rulemaking Board (the "MSRB") and its Electronic Municipal Market Access ("EMMA") system, as described in the Disclosure Dissemination Agent Agreement. The event notices will be filed with the MSRB. The specific nature of the information to be contained in the Annual Report and the event notices, are described in the Disclosure Dissemination Agent Agreement. See "APPENDIX I: FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT" attached hereto. With respect to the Series 2020 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.

#### **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 2020 Certificates, the security for the payment of the Series 2020 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 2020 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 Board. At the time of delivery of the Series 2020 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 view will be expressed), as of its date and as of the date of delivery of the Series 2020 Certificates, contains an untrue statement of a material fact or omits to state a material fact which should be included therein for the purposes for which the Offering Statement is intended to be used, or which is necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading.

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

          /s/ Melissa Snively            
Chair

          /s/ Addison Davis            
Acting Superintendent



**APPENDIX A**

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

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THE FOLLOWING INFORMATION CONCERNING HILLSBOROUGH COUNTY, FLORIDA (THE "COUNTY") AND THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA (THE "DISTRICT") IS INCLUDED ONLY FOR THE PURPOSE OF PROVIDING GENERAL BACKGROUND INFORMATION. THE INFORMATION HAS BEEN COMPILED ON BEHALF OF THE DISTRICT AND SUCH COMPILATION INVOLVED ORAL AND WRITTEN COMMUNICATIONS WITH THE VARIOUS SOURCES INDICATED HEREIN. THE INFORMATION IS SUBJECT TO CHANGE, ALTHOUGH EFFORTS HAVE BEEN MADE TO UPDATE THE INFORMATION WHERE PRACTICABLE. CERTAIN OF THE TABLES THAT FOLLOW IN THIS APPENDIX HAVE BEEN DERIVED FROM THE STATISTICAL SECTION OF THE COUNTY'S COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018, AND OTHER SOURCES AS DESCRIBED HEREIN.

## **The County**

The County is located on the central west coast of the State of Florida (the "State"), bounded by Tampa Bay on the west, Polk County on the east, Pasco County to the north and Manatee County to the south. In area, it is the seventh largest county in the State. The County covers a total area of 1,266 square miles, of which 215 square miles is water. The County is part of a four-county Metropolitan Statistical Area (MSA) referred to as the Tampa, St. Petersburg-Clearwater MSA.

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

*Source: Hillsborough County, Florida Comprehensive Annual Financial Report Fiscal Year Ended September 30, 2018.*

## **Government**

The 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 the County. The County Administrator, appointed by the BOCC, together with his staff, are 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, commissions and private non-profits 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 Transit Authority, Hillsborough County Public Transportation Commission, Tampa-Hillsborough County Expressway Authority, Tampa Sports Authority, Arts Council of Hillsborough County, Value Adjustment Board, Hillsborough County Hospital Authority, Council of Governments and the Tampa Hillsborough Economic Development Corporation.

## Population

The County is the fourth most populous county in the State. The County's population in 2018 was estimated to be 1,408,864, an increase of 14.6% from 2010. A majority of the County's 2018 population (964,883) resides in the unincorporated part of the County. Population in unincorporated County grew 15.7% from 2010. Communities in the southern unincorporated area of the County saw the biggest increases in population growth. The median age for the County in 2018 was 36 years.

Year	Population	Increase
1950	249,894	-
1960	397,788	59.2%
1970	490,265	23.2
1980	646,960	32.0
1990	834,054	28.9
2000	998,948	19.8
2010	1,229,226	23.1
2011	1,238,951	0.8
2012	1,256,118	1.4
2013	1,276,410	1.6
2014	1,301,887	2.0
2015	1,325,563	1.8
2016	1,352,797	2.1
2017	1,379,302	2.0
2018	1,408,864	2.1

*Source: For the years 1950 through 2010, the United States Census Bureau; for the years 2011 through 2018, the Hillsborough County, Florida Comprehensive Annual Financial Report Fiscal Year Ended September 30, 2018.*

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**Hillsborough County, State of Florida, United States Population  
2015-2019**

	2015	2016	2017	2018	2019
Hillsborough County	1,325,563	1,352,797	1,379,302	1,408,864	1,444,870
State of Florida	19,815,183	20,148,654	20,484,142	20,840,568,	21,208,589
United States	321,039,839	323,405,935	325,719,178	328,953,020	328,239,523

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*Sources: For Hillsborough County and State of Florida, University of Florida, Bureau of Economic and Business Research, April 2015 through 2019; for United States, U.S. Census Bureau, Population Division, February 2020.*

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**Property Tax Millage Rates for Direct and Overlapping Governments**

**Hillsborough County, Florida**  
**Last Ten Tax Years**  
**(Millage Rates Rounded to Nearest Thousandth)**

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Direct Rates</b>										
<b>Countywide (BOCC):</b>										
BOCC General Revenue	5.731	5.731	5.732	5.732	5.734	5.736	5.737	5.739	5.741	5.742
BOCC Library Service	0.558	0.558	0.558	0.558	0.558	0.558	0.558	0.558	0.558	0.558
Environmentally sensitive lands (voted)	0.060	0.060	0.060	0.060	0.060	0.060	0.060	0.060	0.060	0.060
Total millage	<u>6.349</u>	<u>6.349</u>	<u>6.350</u>	<u>6.350</u>	<u>6.353</u>	<u>6.354</u>	<u>6.355</u>	<u>6.357</u>	<u>6.359</u>	<u>6.360</u>
Maximum millage per statute <sup>(a)</sup>	<u>10.060</u>	<u>10.060</u>	<u>10.060</u>	<u>10.060</u>	<u>10.060</u>	<u>10.060</u>	<u>10.060</u>	<u>10.060</u>	<u>10.060</u>	<u>10.060</u>
<b>Unincorporated Area (BOCC):</b>										
BOCC Municipal Service Taxing Unit	4.375	4.375	4.375	4.375	4.375	4.375	4.375	4.375	4.375	4.375
Parks and Recreation (voted)	0.026	0.026	0.026	0.026	0.026	0.026	0.026	0.026	0.026	0.026
Total millage	<u>4.401</u>	<u>4.401</u>	<u>4.401</u>	<u>4.401</u>	<u>4.401</u>	<u>4.401</u>	<u>4.401</u>	<u>4.401</u>	<u>4.401</u>	<u>4.401</u>
Maximum millage per statute <sup>(a)</sup>	<u>10.026</u>	<u>10.026</u>	<u>10.026</u>	<u>10.026</u>	<u>10.026</u>	<u>10.026</u>	<u>10.026</u>	<u>10.026</u>	<u>10.026</u>	<u>10.026</u>
Total direct rates (Countywide and Unincorporated Area)	<u>10.750</u>	<u>10.750</u>	<u>10.751</u>	<u>10.751</u>	<u>10.753</u>	<u>10.755</u>	<u>10.756</u>	<u>10.758</u>	<u>10.760</u>	<u>10.761</u>
<b>Overlapping Rates<sup>(b)</sup></b>										
<b>Countywide (Other):</b>										
Tampa Port Authority	0.115	0.130	0.145	0.155	0.165	0.175	0.185	0.190	0.190	0.193
Southwest Florida Water Management District	0.296	0.313	0.332	0.349	0.366	0.382	0.393	0.393	0.377	0.387
School Board	6.414	6.596	6.906	7.247	7.353	7.690	7.877	7.913	7.592	7.692
Children's Board	0.459	0.459	0.459	0.459	0.459	0.483	0.500	0.500	0.500	0.500
<b>Unincorporated Area (Other):</b>										
Southwest Florida Water Management District <sup>(c)</sup> :										
Alafia River Basin	--	--	--	--	--	--	--	0.216	0.216	0.216
Hillsborough River Basin	--	--	--	--	--	--	--	0.230	0.230	0.242
NW Hillsborough Basin	--	--	--	--	--	--	--	--	--	--
Transit Authority	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.468	0.468
<b>Municipalities:</b>										
Tampa	6.208	6.208	5.733	5.733	5.733	5.733	5.733	5.733	5.733	5.733
Temple Terrace	6.955	6.955	7.205	6.955	6.305	6.430	6.430	6.150	5.950	5.283
Plant City	5.716	5.716	4.716	4.716	4.716	4.716	4.716	4.716	4.716	4.716
Total millage for unincorporated area within the Alafia River Basin excluding any special district assessments	18.534	18.748	19.093	19.461	19.596	19.985	20.211	20.254	20.103	20.217

(a) Section 200.071, Florida Statutes, states that the maximum ad valorem tax millage for either the countywide or unincorporated area (municipal services taxing unit) of the BOCC is set at 10 mills plus any voter-approved levies.

(b) Overlapping rates depend on whether the taxpayer resides in the Unincorporated Area or one of the three municipalities. In addition, Countywide overlapping rates apply to all taxpayers. As a result, overlapping rates are not totaled, but total millage figures are shown at the bottom of this chart for comparisons over time or other analysis purposes.

(c) Dependent on its location, property within Tampa may either be in the Alafia, the Hillsborough River, or the NW Hillsborough Watershed Basin. Plant City property may be in either the Alafia or the Hillsborough River Basin.

Source: Hillsborough County, Florida Comprehensive Annual Financial Report Fiscal Year Ended September 30, 2018.

## Employment Indicators

The County has a diversified economic base, including large services, manufacturing and retail trade sectors. The County's largest industrial sectors include: education and health services; trade, transportation and utilities; professional and business services; leisure and hospitality; and wholesale and retail trade. The principal employers serving the county are the Hillsborough County School Board and Hillsborough County Government. The employment by industry for the County as of September 2018 is as follows:

<b>Employment By Industry</b>	<b>Average Monthly Employment</b>
Natural resources and mining	7,408
Construction	37,714
Manufacturing	27,612
Trade, transportation and utilities	128,631
Information	15,490
Finance activities	68,693
Professional and business services	124,590
Educational and health services	92,264
Leisure and hospitality	74,081
Other services	19,530
Government	77,448
Total	673,461

Source: Hillsborough County, Florida Comprehensive Annual Financial Report Fiscal Year Ended September 30, 2018.

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**Hillsborough County, Florida**  
**Principal Employers**  
**Fiscal Year 2018**

Employer	Type of Operation	Employees	Rank	Percentage of Employment
School Board District of Hillsborough County	Public Education	25,173	1	3.912%
MacDill Air Force Base	Military Base	19,978	2	3.104%
University of South Florida	Education Services	14,013	3	2.178%
Hillsborough County Government	Government	9,336	4	1.451%
Publix Super Markets	Supermarkets	7,732	5	1.202%
St. Josephs Hospital/Baycare Health System	Medical Facilities	6,243	6	0.970%
Tampa General Hospital	Medical Facilities	5,378	7	0.836%
City of Tampa	Government	4,151	8	0.645%
HCA West Florida Division	Medical Facilities	3,886	9	0.604%
U.S. Postal Service	Postal Services	3,197	10	0.497%
<b>Total Employees</b>		<b>99,087</b>		<b>15.398%</b>

*Source: Hillsborough County Public Schools Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2019.*

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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	United States
	Labor Force	Number Employed	Number Unemployed	Unemployment Rate	Unemployment Rate
2008	604,798	560,833	43,965	7.3%	6.0%
2009	599,493	532,478	67,015	11.2	9.5
2010	655,217	584,692	70,525	10.8	9.2
2011	670,127	606,938	63,189	9.4	8.8
2012	676,678	624,778	51,900	7.6	7.6
2013	680,446	636,568	43,878	6.4	7.0
2014	690,458	650,445	40,013	5.7	5.7
2015	691,104	657,897	33,207	4.9	4.9
2016	713,562	680,117	33,445	4.5	4.8
2017	734,513	707,657	26,856	3.7	4.1

Source: Hillsborough County, Florida Comprehensive Annual Financial Report Fiscal Year Ended September 30, 2018.

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## Demographics and Economics

The following table outlines some of the general demographic and economic statistics for the County.

### Hillsborough County, State of Florida and the United States Demographic and Economic Statistics 2008-2018

Calendar Year	Personal Income <i>(in thousands)</i>	Personal Income Per Capita	Median Age	Public High School Graduation Rates	Total Public School Enrollment	Unemployment Rate
2008	45,385,156	37,804	36	80.0%	191,965	7.3%
2009	43,600,982	36,429	36	84.6	192,260	11.2
2010	48,852,046	39,742	36	86.0	193,244	10.8
2011	54,278,341	39,594	36	86.4	200,074	9.4
2012	52,741,892	41,139	36	72.6	202,000	7.7
2013	52,137,332	40,287	36	74.1	203,431	6.4
2014	54,893,552	41,703	36	73.5	206,474	5.7
2015	58,596,262	44,205	36	76.0	209,840	4.9
2016	62,630,443	46,297	36	79.1	211,031	4.7
2017	62,976,126	45,658	36	82.9	214,683	3.7

Source: Hillsborough County, Florida Comprehensive Annual Financial Report Fiscal Year Ended September 30, 2018.

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## Banking and Finance

A total of 306 commercial and savings bank offices were located in the County as of June 30, 2018. The following table presents commercial bank and savings institutions deposits for each year since 2009:

<u>Calendar Year</u>	<u>Commercial Bank Deposits</u>	<u>Savings Bank Deposits</u>	<u>Total Deposits</u>
2009	\$20,319,000,000	\$884,000,000	\$21,203,000,000
2010	20,346,000,000	1,093,000,000	21,439,000,000
2011	22,524,000,000	556,000,000	23,080,000,000
2012	23,079,000,000	433,000,000	23,512,000,000
2013	25,193,000,000	474,000,000	25,667,000,000
2014	25,149,000,000	451,000,000	25,600,000,000
2015	27,107,465,000	365,138,000	27,472,603,000
2016	29,837,696,000	407,057,000	30,244,753,000
2017	31,131,689,000	519,059,000	31,650,748,000
2018	31,488,241,000	219,838,000	31,708,079,000

*Source: Hillsborough County, Florida Comprehensive Annual Financial Report Fiscal Year Ended September 30, 2018.*

## Medical Facilities

There are thirteen general, specialty, and military hospitals in the County with approximately 4,260 hospital beds, and 3,944 nursing home beds. The County's medical resources include more than 5,530 licensed physicians, with specialists in all types of medicine and surgery, and 853 licensed dentists.

*Source: Hillsborough County, Florida Comprehensive Annual Financial Report Fiscal Year Ended September 30, 2018.*

## 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, and Hernando Counties.

TIA, is one of four FAA-coded large hub airports in the state of Florida, TIA occupies approximately 3,400 acres and is primarily an origination-destination airport with a total of 59 gates. It is located five miles from downtown Tampa, and is served by most major airlines which provide non-stop daily service to more than 56 national and international destinations, including London, Frankfurt, Zurich, Reykjavik, Toronto, Halifax, Ottawa, San Juan, and Grand Cayman. Inbound and outbound passengers at TIA for the fiscal year ended September 30, 2018, totaled 21,013,788, an increase of 0.09% from the prior fiscal year. For fiscal year 2018, the top four airlines, in terms of market share were: Southwest with 33.57%, Delta with 16.66%, American Airlines with 15.93% and United Airlines with 10.12%.

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 Tampa Executive Airport (formerly 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 this airport.

St. Pete-Clearwater International Airport ("PIE") provides facilities necessary to support commercial passenger, air cargo, general aviation and military aviation activity for the Tampa Bay Area. PIE consists of approximately 1,900 acres located on the east side of Pinellas County. The airport has two runways. PIE's three airlines (Allegiant, Sun Country Airlines and Sunwing Airlines) provide non-stop access to 59 destinations throughout the United States and Canada. Passenger enplanement at PIE for 2018 totaled 2,248,428, an increase of 13.8% from 2017. PIE is home to the U.S. Coast Guard's Air Station and a U.S. Army Reserve Center.

AMTRAK provides passenger rail service to major cities throughout the United States. This rail service is provided by the Palmetto and Silver Service 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 Transit Authority ("HART") is the 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 12.8 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.

*Source: Hillsborough County, Florida Comprehensive Annual Financial Report Fiscal Year Ended September 30, 2018; with respect to St. Pete-Clearwater International Airport, the Pinellas County, Florida Comprehensive Annual Financial Report Fiscal year Ended September 30, 2018 and [www. Fly2PIE.com](http://www.Fly2PIE.com).*

## **Port Facilities**

Port Tampa Bay (Port) is Florida's largest port both in terms of cargo tonnage and geographic acreage, encompassing over 5,000 acres. The Port handled over 38 million tons of cargo and 900,000 cruise passengers during fiscal year 2017. It is also one of the most diverse seaports in the country with multiple lines of business providing a solid financial footing and supporting an aggressive capital investment program for new development. Port Tampa Bay has a significant economic impact on the County and supports over 85,000 jobs in the regional economy.

In addition to being one of the world's premier fertilizer export ports, it is also the gateway for Central Florida's energy products, construction/building materials and consumer goods. The Port is also home to one of the largest shipbuilding and repair centers in the Southeast U.S. On-dock cold storage capabilities returned to the Port in the fall of 2017, with the opening of a new 130,000 square foot trans-load warehouse facility focused on cross-docking and distribution of fruit and vegetables. The Port's cruise business is growing rapidly as well, with additional ships offering year-long service to Cuba, Mexico and the Caribbean.

Port Tampa Bay is the closest port to the huge and expanding I-4 corridor market, which is Florida's fastest growing region and home to the largest concentration of distribution centers in the state. To serve this market, the Port expanded its container terminal facilities by including two new post-Panamax cranes to complement its three existing container gantry cranes and heavy-lift mobile harbor crane. Port Tampa Bay has plans to quadruple its container terminal capacity

*Source: Hillsborough County, Florida Comprehensive Annual Financial Report Fiscal Year Ended September 30, 2018.*

## **Local Industries**

Service, retail, finance, insurance, and real estate sectors lead regional and county industry. Bioscience and other high-tech industries are expanding, thanks in part to research at university and college campuses throughout the area. Manufacturing in the County is also participating in the high-tech trend as the County is home to companies in the microelectronics, medical devices, software, and defense systems industries.

*Business and Information Services.* Tampa Bay has been called "Wall Street South" for the size and scope of its financial services industry. Worldwide organizations which have a major presence in the County include JPMorgan Chase, Citigroup, Depository Trust and Clearing Corp, MetLife, Progressive Insurance and USAA Insurance. The County is also a major player in a new industry segment called the Shared Accounting Services industry where national and international companies such as Coca-Cola Enterprises create additional value by co-locating their accounting and financial services for multiple businesses in one location.

*Biomedical/Life Sciences Technologies/Health Care.* Tampa Bay is a center of excellence for hospital, research and medical-related firms – and the gateway to the Florida High Tech Corridor, a 23-county area that is home to more than 3,000 high-tech companies. Biomedical and life science centers of excellence in the County include the University of South Florida, H. Lee Moffitt Cancer Center and Research Institute, and USF Health Byrd Alzheimer's Institute. In March 2012, USF Health opened its \$38 million Center for Advanced Medical Learning and Simulation (CAMLs) in downtown Tampa. CAMLS combines cutting-edge simulation with research and innovation to move the latest advances in healthcare into practice. The County is also home to major health care plan developers and providers such as Wellcare.

*Manufacturing (Microelectronics, Medical Devices, Software, and Defense Systems).* High tech manufacturing companies in the County include CAE (flight and military simulation systems), B&M Precision (implants and components for brain probes and liposuction), and systems software development companies CIBERsites (application development), Computer Associates (internet security) and Quadrant Software (electronic document distribution).

Source: Hillsborough County, Florida Comprehensive Annual Financial Report Fiscal Year Ended September 30, 2018.

## Agriculture

The County has 2,843 farms that utilize 263,664 acres, which ranks it 2nd in Florida and 28th nationally. The County ranks as the 4th largest producer of agricultural products in the state (out of 67 counties) and 59th in the United States (out of 3,076 counties). The County is in the top 2% of agricultural counties in the country. The 263,664 acres utilized for agriculture production represents approximately 40% of the County's land area. The estimated total economic impact of agriculture and agribusiness on the County is \$4.156 billion while employing approximately 42,000 workers.

Annual commodity sales and acreage for 2012 are estimated as follows:

Commodity	Acreage	Annual Sales
Aquaculture	836	\$22,385,000
Beef cattle/pasture	92,415	25,797,660
Bees/honey production	39	689,132
Blueberries	591	10,700,000
Citrus	9,934	20,142,505
Dairy	1,500	5,934,300
Forestry	117,841	2,200,000
Goats	517	153,836
Hay	6,133	2,458,280
Ornamental plants	3,605	136,970,613
Poultry	37	915,300
Sod	1,531	8,280,083
Strawberries	12,114	265,819,785
Vegetables	12,994	150,000,000
Miscellaneous	3,577	50,078,000
Total	263,664	\$702,524,494

Local agriculture generates additional local economic impact by supporting related businesses such as banking, real estate, legal services, transportation, packaging, equipment, seed, agricultural suppliers and services, and marketing firms. Most agricultural goods produced in the County are sold outside of the County. According to a study completed in 2005, for every dollar of agriculture goods sold outside of the County, an estimated \$1.86 billion is added to the local economy as a result of indirect and induced benefits. This study also calculated that agriculturalists contribute four times more in revenue

(taxes, fees, transfer payments, etc.) to local government than they require in government services, effectively subsidizing government services for the urban residential population.

*Source: Hillsborough County, Florida Comprehensive Annual Financial Report Fiscal Year Ended September 30, 2018.*

### **Military Facilities**

The seven county Tampa Bay Region is home to MacDill Air Force Base, which hosts US Central Command, US Special Operations Command, and Coast Guard Air Station Clearwater. 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 the State. The impact of its operations in fiscal year 2017 was \$3.18 billion. The 6th Air Mobility Wing hosts 28 tenant units, including the 927th Air Refueling Wing which uses KC-135R Stratotankers and a C-37A Gulfstream aircraft to conduct its air mobility mission, two non-aviation units (the United States Central Command and the United States Special Operations Command) and 23 other units.

Defense activities account for roughly \$8.5 billion in total direct spending in the Tampa Bay Region. These expenditures generated 184,000 jobs in 2018 and accounted for \$19.3 billion of the region's gross regional product (8.6% of the region's total GRP). Transfer payments to veterans and retirees residing in the region supported 78,000 jobs, while procurement contracts generated 40,500. The bulk of the economic impact associated with defense activities in the region is a result of federal dollars flowing through the region to the military—roughly \$17.7 billion of the \$19.3 billion impact. The Coast Guard accounted for nearly 7,500 total jobs and the National Guard for an additional 7,000 total jobs in this region.

*Source: Florida Defense Factbook, Enterprise Florida January 2020; Hillsborough County, Florida Comprehensive Annual Financial Report Fiscal Year Ended September 30, 2018.*

### **Recreational Facilities**

A variety of entertainment activities may be found in the County including numerous parks, beaches, restaurants with international flair, excellent golf courses, racquetball courts, saltwater fishing, tennis and shopping. Recreational facilities that appeal to both County residents and visitors are either located within the County or are only a short drive away. Walt Disney World including Hollywood Studios Theme Park, Universal Studios, and Sea World are all just over an hour's drive to the east. Two thirds of the state's major attractions lie within a 100-mile radius of Tampa. Busch Gardens, located in Tampa, is a family adventure park offering an array of fascinating attractions based on exotic encounters with the African continent. It offers an appealing blend of thrilling rides, one of the country's premier zoos featuring more than 3,000 animals, live shows, restaurants, shops and games. Adventure Island, which is located next to Busch Gardens, features a beach volleyball complex and 15 water play areas situated on 30 acres.

The County is home to the Tampa Bay Buccaneers of the National Football League (NFL), who were the Superbowl XXXVII Champions in 2003. The Tampa Bay Buccaneers and University of South Florida Bulls football teams play their home games at Raymond James Stadium in Tampa. Raymond James Stadium is a combination of modern stadium design and its own innovations. Raymond James Stadium has a seating

capacity of 65,890, expandable to 75,000, 12,000 club seats, 195 luxury suites, and 600 points of sale for food, beverages and merchandise. Raymond James Stadium has hosted special events such as Super Bowl XXXV in January 2001 and Super Bowl XLIII in February 2009.

In the heart of downtown Tampa's Channelside District, located between the Tampa Convention Center and the Florida Aquarium, lies the Amalie Arena, home of the National Hockey League's Tampa Bay Lightning, who were the 2004 Stanley Cup Champions. The Amalie Arena also hosts many concerts, family shows and sporting events each year. In addition, the New York Yankees Major League Baseball franchise has spring training at the County's George M. Steinbrenner Field baseball stadium. The recently renovated University of South Florida Yuengling Center is a multipurpose 10,000-seat arena located on the campus of the University of South Florida (USF) and is home to the National Collegiate Athletic Association's USF Men's and Women's Basketball Teams as well as other University events. Thoroughbred horse racing is also seasonally available in the County.

*Source: Hillsborough County, Florida Comprehensive Annual Financial Report Fiscal Year Ended September 30, 2018.*

## **Cultural Facilities**

The County offers a variety of cultural facilities to residents and visitors. ZooTampa at Lowry Park is operated by the Lowry Park Zoological Society, an independent 501(c)(3) charitable organization committed to excellence in education, conservation and research. The Zoo is accredited by the Association of Zoos and Aquariums (AZA), and is featured among the "Top 25 Zoos in the U.S" by TripAdvisor (2015) and "10 Best Zoos in the U.S." by Trekaroo (2015). The 205,000 sq-ft Florida Aquarium is among the top aquariums in the world and has more than 20,000 aquatic plants and animals from Florida and around the world. The Florida Aquarium's Center for Conservation combines research and rehabilitation programs to give much needed support to animals in distress or imminent danger and ecosystems faced with both natural and man-made threats. This includes, but is not limited to propagating corals in Florida's Keys, rescuing endangered sea turtles and threatened river otters, assisting with dolphin and manatee rescues, assessing stress levels in sharks, documenting underwater cultural assets (a.k.a. shipwrecks) and raising awareness of sustainable seafood issues.

The Straz Center for the Performing Arts is located on a nine-acre site along the east bank of the Hillsborough River. As the second largest performing arts complex in the southeast after the Arsht Center in Miami, the 335,000 square-foot Straz Center provides an environment for a wide variety of world-class events. It boasts one of the nation's leading Broadway series and is nationally respected for producing grand opera, as well as presenting a wide variety of concerts, performances and events. The Tampa Convention Center, located directly on the waterfront in the heart of downtown Tampa, hosts a variety of conventions, trade shows, and other special events year-round. In 2012, the Amalie Arena hosted the Republican National Convention. The 600,000 square foot building offers 200,000 square feet of exhibit space, a 36,000 square foot ballroom, and 36 breakout rooms which total over 42,000 square feet of additional meeting space. Add to that, over 84,000 square feet of flexible space and you have the best venue for any meeting, convention or special event. After a busy day of lectures, seminars or classes, attendees are welcome to visit Ybor City or Sparkman Warf (formerly Channelside Bay Plaza) features a one acre of open space with an event lawn, biergarten and dining garden, situated in a relaxed, outdoor setting along Garrison Channel located just a few steps away.



Museums in the area include the Museum of Science and Industry (MOSI), a science and technology center encompassing over 58,000 square-feet on a 74-acre campus of exhibits and hands-on displays. MOSI is only science center in the Tampa Bay community. Features include a hurricane simulator, the Saunders planetarium, IdeaZone -a space for coding and prototype hands on projects, and the high-tech exhibit CONNECTUS. The new 60,000 square-foot Tampa Bay History Center Museum located in the Sparkman Warf district had its grand opening celebration in January 2009. Other museums in the area are the Tampa Museum of Art, the historic H. B. Plant Museum at the University of Tampa, the Contemporary Art Museum at the University of South Florida, the Scarfone/Hartley Gallery at the University of Tampa, the Veteran's Memorial Museum and Park, the Ybor City State Museum, Glazer Children's Museum, and the Florida Museum of Photographic Arts.

Graphicstudio at the University of South Florida, a member of the International Fine Print Dealers Association, practices traditional printmaking techniques including intaglio, lithography, silkscreen, and relief along with photogravure, cyanotype and pigment prints. Sculpture multiples are produced in a range of media including bronze, steel, aluminum, wood, rubber, and less traditional materials including lava (basalt) and pigmented resins. Since its inception, the studio has invited over 100 emerging and established contemporary artists from around the world who have worked in a range of styles and media to produce more than 1,000 limited edition print and sculpture multiples. Impressions of Graphicstudio editions have been acquired by leading museums and corporate and private collections worldwide. In 1990, the National Gallery of Art in Washington D.C. established an archive of the editions that resulted in a major exhibition with an accompanying catalog documenting the history of Graphicstudio. In 2014, the Tampa Museum of Art presented a major survey exhibition also accompanied by a significant publication that focused on works produced in the last two decades.

*Source: Hillsborough County, Florida Comprehensive Annual Financial Report Fiscal Year Ended September 30, 2018.*

## **Communication**

Thirteen television stations serve the County. Daily newspapers include the Tampa Bay Times (which acquired The Tampa Tribune in 2016), and the Monday-through-Friday free tabloid called tbt\*. There are also four other weekly newspapers. There are approximately 80 AM and FM radio stations that can be listened to in the County with 28 of the stations physically based in the County. Frontier and Spectrum are the primary providers for internet, telecommunications and/or cable services. There are 40 Post Offices in the County and 20 internet providers.

*Source: Hillsborough County, Florida Comprehensive Annual Financial Report Fiscal Year Ended September 30, 2018.*

## Housing (Permits Issued)

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

### Hillsborough County New Residential Units 2010-2019

Year	Single Family Detached	Single Family Attached	Apartments	Mobile Homes	Total
2010	2,360	800	982	52	4,194
2011	2,377	640	871	24	3,912
2012	3,268	729	2,812	39	6,848
2013	4,107	622	2,396	33	7,158
2014	3,842	746	2,778	26	7,392
2015	4,657	1,004	2,597	24	8,282
2016	5,021	1,510	3,462	30	10,023
2017	5,715	1,331	3,056	30	10,132
2018	6,750	1,431	1,504	30	9,715
2019	7,247	1,509	5,153	69	13,978

*Source: Hillsborough County City-County Planning Commission.*

**APPENDIX B**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE SCHOOL DISTRICT OF  
HILLSBOROUGH COUNTY, FLORIDA FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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FISCAL YEAR ENDED  
**JUNE 30, 2019**  
TAMPA, FL

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

of

The School District of  
Hillsborough County, Florida

For the

Fiscal Year Ended June 30, 2019



Issued by:

Jeff Eakins, Superintendent of Schools

Prepared by:

Division of Business  
Gretchen Saunders, Chief Business Officer  
Stephanie Heaton, Manager of Accounting Services

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, 2019

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## Introductory Section



**Hillsborough County**  
PUBLIC SCHOOLS  
Preparing Students for Life

**School Board**  
Melissa Snively, Chair  
Steve P. Cona III, Vice Chair  
Lynn L. Gray  
Stacy A. Hahn, PhD  
Karen Perez  
Tamara P. Shamburger  
Cindy Stuart



**Superintendent of Schools**  
Jeff Eakins  
**Deputy Superintendent, Instructional**  
Van Ayres  
**Deputy Superintendent, Operations**  
Chris Farkas  
**Chief of Schools, Administration**  
Harrison Peters  
**Chief Business Officer**  
Gretchen Saunders

December 10, 2019

Dear Chair Snively 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, 2019, is hereby submitted. These financial statements are presented in conformity with U.S. generally accepted accounting principles (U.S. 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 U.S. GAAP. 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, 2019, are free from 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 unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2019, are fairly presented in all material respects, in conformity with U.S. GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

U.S. 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 and its governing board (School Board) were created pursuant to Section 4, Article IX of the Constitution of the State of Florida. The District is an independent taxing and reporting entity managed, controlled, operated, administered and supervised by District school officials in accordance with Chapter 1001, Florida Statutes. The School Board consists of seven elected officials. The appointed Superintendent serves as chief executive officer of the school system and is responsible for the administration and management of district schools. The District and Superintendent are required by Section 1010.01, Florida Statutes to maintain financial records and accounts as prescribed by law and rules of the State Board of Education.

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 School Board Leasing Corporation (the Corporation) reported as a blended component unit. 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 Charter Schools that are separately operated, under Section 1002.33, Florida Statutes. 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 12<sup>th</sup> grade, basic and enriched programs, and exceptional student education. The District also provides vocational, workforce and adult programs.

The District's geographic boundaries correspond with those of Hillsborough County. The District is the 3<sup>rd</sup> largest school district in Florida and the 8<sup>th</sup> largest in the United States with over 212,000 K-12 students.

The annual budget serves as the foundation for the District's financial planning and control. The District establishes and maintains policies, procedures, and 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.** The District relies heavily 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 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.

**Long-Term Financial Planning.** The District strives to maintain adequate fund balances and top debt ratings by careful management of its financial resources. The District continues to implement budget saving initiatives to maintain fund balances and has made position formulas, and unit changes to implement district wide cuts to the workforce.

### Major Initiatives

**Capital/Facilities Plan** – To protect, improve, and maintain over 240 schools and centers in our district takes a well thought out plan annually. School districts in Florida have been hit hard by the reduction in local capital outlay taxing authority and fluctuation in property values over the past ten years. In response to the U.S. recession in 2008 and 2009, the Florida Legislature reduced the capital millage authority of local school boards by 25%. As a result, the deferred capital project listing continued to grow as there were not enough local capital dollars to meet the maintenance needs of our aging buildings.

Fortunately for our school district, voters approved a half-penny sales tax Education Referendum in November, 2018. This brought in over \$50 million in Fiscal Year 2019 that was earmarked for capital outlay needs itemized in the referendum. A Citizen Oversight Committee was formed to oversee spending on school improvement projects funded by the referendum. They review both spending and the progress and completion of projects to ensure essential district needs are being addressed. Those needs include air conditioning, aging roofs, classroom technology and safety and security improvements.

**General Operations** - The District has worked to provide enough capacity to reduce class sizes and meet anticipated student enrollment. After many years of student growth, the District's student numbers have leveled out. Additionally, with the opening of more Charter Schools every year, the enrollment in District operated schools has begun to decline. As a result, we continue to update, adopt and review existing position formulas for both instructional and instructional support units. The cost realignment, department reorganizations, and hiring freezes have helped us become more financially structured and flexible.

### 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, 2018. This was the eighteenth consecutive year that the District received this prestigious award. To be awarded a Certificate of Achievement, an entity must publish an easily readable and efficiently organized CAFR. This report must satisfy both U.S. GAAP 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 Services Team. We would like to express our appreciation to all members of the Business Services Team, and other divisions who assisted and contributed to its preparation.

Sincerely,

Jeff Eakins  
Superintendent

Gretchen Saunders  
Chief Business Officer  
Business Services Team

Stephanie Heaton  
Manager of Accounting Services Team

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA

Principal Officials - Elected

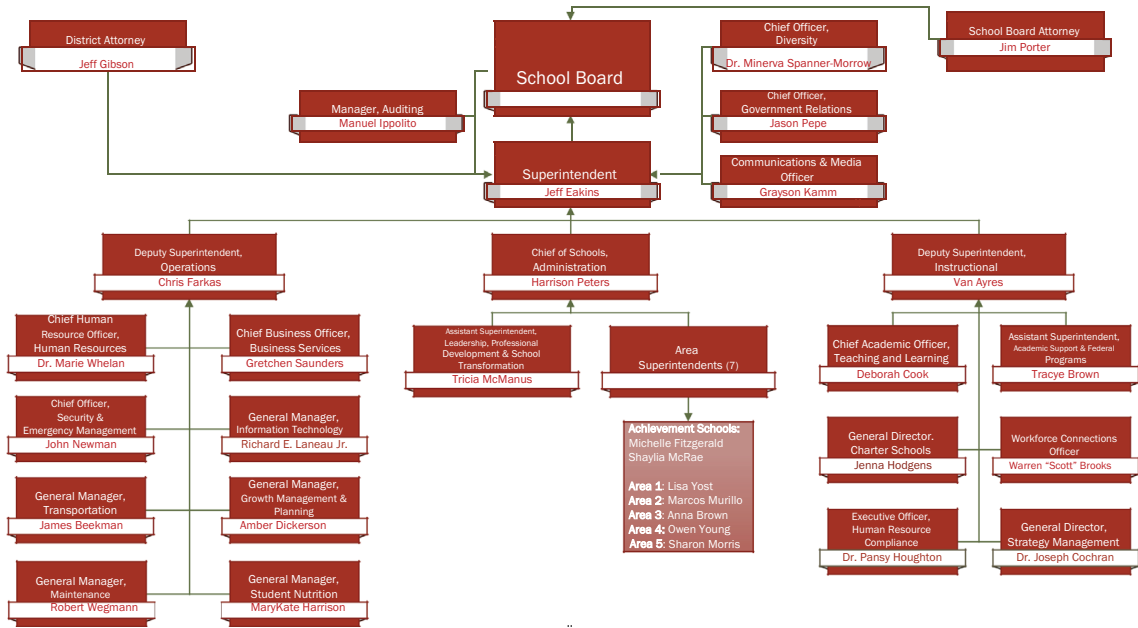
Board Members – Terms of Office  
As of December 10, 2019

Melissa Snively, Chair Member from District 4 Present term began Present term expires Began as a Board member	November, 2018 November, 2022 November, 2014
Steve Cona III, Vice Chair Member from District 1 Present term began Present term expires Began as a Board member	November, 2018 November, 2020 November, 2018
Lynn L. Gray Member from District 7 (at large) Present term began Present term expires Began as a Board member	November, 2016 November, 2020 November, 2016
Dr. Stacy Hahn, PhD Member from District 2 Present term began Present term expires Began as a Board member	November, 2018 November, 2022 November, 2018
Karen Perez Member from District 6 (at large) Present term began Present term expires Began as a Board member	November, 2018 November, 2022 November, 2018
Tamara P. Shamburger Member from District 5 Present term began Present term expires Began as a Board member	November, 2016 November, 2020 November, 2016
Cindy Stuart Member from District 3 Present term began Present term expires Began as a Board member	November, 2016 November, 2020 November, 2012

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA

Other Principal Officials - Appointed  
As of December 10, 2019

<u>Name</u>	<u>Title</u>
Jeff Eakins	Superintendent of Schools
Chris Farkas	Deputy Superintendent, Operations
Van Ayres	Deputy Superintendent, Instructional
Harrison Peters	Chief of Schools, Administration
Tracye Brown	Assistant Superintendent Academic Support and Federal Programs
Gretchen Saunders	Chief Business Officer, Business Services
Grayson Kamm	Communications & Media Officer
Dr. Minerva Spanner-Morrow	Chief Diversity Officer
Tricia McManus	Assistant Superintendent Leadership, Professional Development and School Transformation
Jason Pepe	Chief Governmental Relations Officer
Dr. Marie Whelan	Chief Human Resource Officer
Chris Farkas	Chief Operations Officer
Deborah Cook	Chief Academic Officer, Teaching and Learning
John Newman	Chief Officer, Security & Emergency Management



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Government Finance Officers Association

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, 2018**

*Christopher P. Morill*

Executive Director/CEO

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## Financial Section







KPMG LLP  
 Suite 1700  
 100 North Tampa Street  
 Tampa, FL 33602-5145

**Independent Auditors' Report**

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

*Report on the Financial Statements*

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, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

*Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditors' Responsibility*

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 statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component units, is based solely 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



*Opinions*

In our opinion, based on our audit and the reports of the other auditors, 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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund and the contracted services fund for the year then ended in accordance with U.S. generally accepted accounting principles.

*Other Matters*

*Required Supplementary Information*

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 5-11, the schedules of employer contributions on pages 83, 85, and 87, the schedules of employer proportionate share of net pension liability on pages 84 and 86, the schedule of net pension liability on page 88, the schedule of changes in net pension liability and related ratios on page 89, the schedule of investment returns on page 90, the schedule of changes in total liability and related ratios on page 91, and the notes to required supplementary information on pages 92 and 93 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Supplementary and Other Information*

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, other supplementary information as listed in the table of contents, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2019 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 solely 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 effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

KPMG LLP

November 22, 2019  
Certified Public Accountants

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THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2019  
(Unaudited)

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 years' 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 15). All dollar amounts unless otherwise indicated, are expressed in thousands of dollars.

#### Overview of the Financial Statements

This MD&A 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 Position details information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the assets plus deferred outflows of resources minus liabilities and deferred inflows of resources being reported as net position. This statement combines the governmental fund's current financial resources (short-term spendable resources) with capital assets and long term obligations. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the District has changed.

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position 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 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. Several separate public charter schools are included as discretely presented component units.

Key financial highlights included assets and deferred outflows of resources exceeding liabilities and deferred inflows of resources by \$624,540 (net position). Of this amount \$(1,111,540) represents a deficit unrestricted net position. This deficit balance was attributed to the effects of the long term liabilities, such as other post employment benefits, pension benefits and compensated absences. See notes 11 and 19 to the financial statements for additional information.

The government-wide financial statements can be found on pages 15 - 17 of this report.

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2019  
(Unaudited)

#### 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 Statements allow for the demonstration of sources and uses and/or budgetary compliance associated therewith (beginning on page 18). 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 economic resources); such reconciliation is reflected on the page following each statement (see pages 21 and 27). 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 ten 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 and Other Capital Projects Fund that are considered to be major funds. Data from the other five 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.

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

#### 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 32 - 34.

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2019  
(Unaudited)

**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 position and a statement of changes in fiduciary net position. The District excludes these activities from the government-wide financial statements because the District cannot use these assets to finance any of its ongoing operations.

The basic fiduciary fund statements can be found on pages 35 -36.

**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 37 – 82 of this report.

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. In the case of the District, assets plus deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$624,540 at the end of the current fiscal year.

By far the largest portion of the District's net position reflects its net investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt and deferred outflows of resources 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.

	<b>Governmental Activities 2019</b>	<b>Governmental Activities 2018</b>
Current and other assets	\$ 581,709	\$ 518,941
Capital assets	2,228,117	2,218,426
Total assets	<u>2,809,826</u>	<u>2,737,367</u>
Deferred outflows of resources	<u>474,483</u>	<u>505,098</u>
Long-term liabilities outstanding	2,296,489	2,382,885
Other liabilities	115,419	90,568
Total liabilities	<u>2,411,908</u>	<u>2,473,453</u>
Deferred inflows of resources	<u>247,861</u>	<u>182,618</u>
Net position:		
Net investment in capital assets	1,413,056	1,317,830
Restricted	323,024	284,935
Unrestricted	<u>(1,111,540)</u>	<u>(1,016,371)</u>
Total Net Position	<u>\$ 624,540</u>	<u>\$ 586,394</u>

An additional portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The District's net position increased by \$38,146 from last year, due to current year operations and an overall decrease in long term liabilities.

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2019  
(Unaudited)

**Governmental Activities**

Governmental activities increased the District's net position by \$38,146. Key elements of this increase are as follows:

	<b>Governmental Activities 2019</b>	<b>Governmental Activities 2018</b>
Revenues:		
Program revenues:		
Charges for services	\$ 49,246	\$ 45,365
Operating grants and contributions	99,735	98,127
Capital grants and contributions	11,854	11,915
General revenues:		
Property taxes, levied for operational purposes	491,199	463,070
Property taxes, levied for capital projects	149,921	136,301
Local sales taxes	33,287	32,257
Sales tax referendum	50,113	-
Grants and contributions not restricted to specific programs	1,351,726	1,333,860
Investment earnings	12,038	6,167
Miscellaneous	<u>93,200</u>	<u>82,184</u>
Total revenues	<u>2,342,319</u>	<u>2,209,246</u>
Expenses:		
Instructional services	1,316,307	1,283,222
Instructional support services	250,513	238,662
Pupil transportation services	70,821	68,252
Operation and maintenance of plant	160,904	148,222
Non-capitalizable facilities acquisition and construction	142,492	126,098
School administration	111,524	107,534
General administration	44,433	52,182
Food services	120,865	113,706
Community services and other	56,440	63,699
Interest on long term debt	29,415	28,851
Unallocated depreciation	<u>459</u>	<u>265</u>
Total expenses	<u>2,304,173</u>	<u>2,230,693</u>
Change in net position	38,146	(21,447)
Net position beginning of year	<u>586,394</u>	<u>607,841</u>
Net position end of year	<u>\$ 624,540</u>	<u>\$ 586,394</u>

The increase in unrestricted grants and contributions revenue of \$17,866 is a result of an increase in grants awarded to the District. Property taxes increased \$41,749 during the year as a result of an increase in assessed values. The addition of a voter approved sales tax referendum added \$50,113 of revenue earmarked for school renovations and major improvements.

Expenses increased primarily due to salary increases, daily operations, and maintenance of facilities and equipment.

**Financial Analysis of the District's Funds**

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

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 For the Fiscal Year Ended June 30, 2019  
 (Unaudited)

**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, unassigned 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 \$463,462 an increase of \$47,338 as compared to the prior year.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$100,331, while the total fund balance was \$150,518. The fund balance of the District's General Fund increased by \$4,315 during the current fiscal year. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately six percent of total general fund expenditures, while total fund balance represents approximately nine percent of that same amount. The fund balance increase of \$4,315 in the current year was due in part to a district-wide initiative to reduce expenditures and maintain consistent staffing formulas to align workforce with student needs.

The Contracted Services Fund revenue and expenditures remain equal to the prior year.

The Other Debt Service Fund increased this year over last year because there were no transfers back to the capital funds. Their fund balance usually stay the same because debt service payments are equal over the years.

The Local Capital Improvement Fund's ending fund balance of \$14,989 increased by \$3,942 over the prior year. Taxes for capital outlay were \$13,620 more this year while operational expenditures for various projects also increased \$9,358 over the last year. However, transfers out totaled \$110,249 to cover expenditures related to capital improvement, but not recorded in those funds

Other Capital Projects Fund includes the Certificates of Participation funds. Overall there was an increase of \$16,590 from the prior year fund balance of \$136,127 to a current year fund balance of \$152,717. This change was primarily due to an increase in revenue from a voter approved sales tax referendum and impact fees.

**General Fund Budgetary Highlights**

During the fiscal year, the District revised its budget and brought amendments to the District's governing board (School Board) on a monthly basis. These amendments were needed to adjust to actual revenues and direct resources where needed. The School Board approves the final amendment to the budget after year-end.

Budgeted appropriations increased \$62,448 from the original budget to the final amended budget. The increases were due to increases in the number of approved charter schools and their corresponding enrollment.

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 For the Fiscal Year Ended June 30, 2019  
 (Unaudited)

Actual expenditures were \$45,820 below the final amended expenditure budget. Unexpended appropriations of \$45,820 were composed of the following: (1) \$38,599 in restricted programs, (2) \$6,923 in other earmarked assigned funds and (3) \$298 in other unexpended budget items. The \$298 is less than half of a percent of the final budget. In the normal course of business, some of the budget is left unspent, primarily due to temporarily unfilled positions.

**Capital Assets and Debt Administration**

**Capital Assets**

The District's investment in capital assets for its governmental activities as of June 30, 2019, amounts to \$2,228,117 (net of accumulated depreciation). This investment in capital assets is comprised of the following:

	<b>Governmental Activities 2019</b>	<b>Governmental Activities 2018</b>
Land	\$ 159,328	\$ 161,410
Land improvements	95,770	96,118
Construction in progress	89,942	39,069
Improvements other than buildings	71,198	72,151
Buildings and systems	1,737,292	1,778,650
Furniture, fixtures and equipment	23,272	22,930
Leasehold improvements	6,404	6,536
Motor vehicles	43,516	40,957
Computer software	1,395	605
Total capital assets	<u>\$ 2,228,117</u>	<u>\$ 2,218,426</u>

This year's additions of \$112,603 which includes transfers from construction in progress, is comprised of several renovation projects. The total of capital assets increased due to renovation and repair funded by the voter approved sales tax referendum.

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

**Long Term Debt**

At the end of the current fiscal year the District had total borrowed and bonded debt outstanding of \$841,065 which includes unamortized bond premiums of \$57,940.

	<b>2019</b>	<b>2018</b>
Certificates of participation	674,631	715,386
Bonds payable	166,434	185,210
Total long term debt	<u>\$ 841,065</u>	<u>\$ 900,596</u>

The District's total borrowed and bonded debt decreased by \$59,531 (net of repayment of principal on outstanding debt) during the current fiscal year. The decrease is approximately equal to the payment of principal.

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2019  
(Unaudited)

The District's bond ratings are as follows:

<u>Sales Tax Revenue Bonds</u>	
<u>Underlying</u>	
Moody's	A2
Standard & Poors	A
Fitch IBCA	A-

<u>Certificates of Participation</u>	
<u>Underlying</u>	
Moody's	Aa3
Standard & Poors	AA-
Fitch IBCA	AA

See notes 8-11 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 Accounting Services, 901 E. Kennedy Blvd. Tampa, Florida, 33601 or call 813-272-4292.



**Hillsborough County**  
PUBLIC SCHOOLS  
Preparing Students for Life

**BASIC FINANCIAL STATEMENTS**

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**THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY**

**STATEMENT OF NET POSITION**

**JUNE 30, 2019**

(dollar amounts expressed in thousands)

	<u>Primary Government</u>	
	<u>Governmental Activities</u>	<u>Component Units</u>
<b>ASSETS</b>		
Cash	\$ 277,424	48,071
Investments	213,190	4,331
Accounts receivable, net	4,748	3,277
Due from other governmental agencies	81,068	442
Inventories	5,279	-
Other assets	-	153
Prepaid items	-	1,662
Capital assets (net of accumulated depreciation):		
Land	159,328	15,128
Land improvements	95,770	527
Construction in progress	89,942	377
Improvements other than buildings	71,198	724
Buildings and systems	1,737,292	132,378
Furniture, fixtures and equipment	23,272	6,820
Leasehold improvements	6,404	-
Motor vehicles	43,516	131
Computer software	1,395	34
Total assets	<u>2,809,826</u>	<u>214,055</u>
<b>DEFERRED OUTFLOWS</b>		
Deferred charge on refunding	26,005	155
Other post employment benefit related	14,439	-
Pension related	434,039	-
	<u>474,483</u>	<u>155</u>
<b>LIABILITIES</b>		
Accounts payable	67,544	5,652
Construction retainage payable	4,986	-
Salaries and wages payable	708	5,239
Accrued payroll taxes and withholdings	3,017	248
Accrued interest	15,090	661
Due to other governmental agencies	6,578	920
Deposits payable	63	-
Advanced revenue	17,433	726
Other liabilities	-	11
Noncurrent liabilities:		
Due within one year	92,686	5,373
Due in more than one year	2,203,803	150,944
Total liabilities	<u>2,411,908</u>	<u>169,774</u>
<b>DEFERRED INFLOWS</b>		
Other post employment benefit related	37,234	-
Pension related	210,627	-
	<u>247,861</u>	<u>-</u>
<b>NET POSITION</b>		
Net investment in capital assets	1,413,056	5,306
Restricted for:		
Categorical carryover programs	25,494	-
Debt service	76,234	5,337
Capital outlay	177,648	225
Non categorical carryover programs	38,983	-
Other purposes	4,665	-
Unrestricted	(1,111,540)	33,568
Total net position	<u>\$ 624,540</u>	<u>44,436</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, 2019  
(dollar amounts expressed in thousands)**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>
<b>Primary government:</b>		
Governmental activities:		
Instructional services	\$ 1,316,307	\$ 25,412
Instructional support services	250,513	-
Pupil transportation services	70,821	2,103
Operation and maintenance of plant	160,904	-
Non-capitalizable facilities acquisition and construction	142,492	-
School administration	111,524	-
General administration	44,433	-
Food services	120,865	21,731
Community services and other	56,440	-
Interest on long-term debt	29,415	-
Unallocated depreciation expense	459	-
Total governmental activities and primary government	<u>\$ 2,304,173</u>	<u>\$ 49,246</u>
<b>Component units:</b>		
Charter Schools	\$ 209,139	\$ 9,885
Total component units	<u>\$ 209,139</u>	<u>\$ 9,885</u>

General Revenues:	
Property taxes, levied for operational purposes	491,199
Property taxes, levied for capital projects	149,921
Local sales taxes	33,287
Sales tax referendum	50,113
Grants and contributions not restricted to specific programs	1,351,726
Investment earnings	12,038
Miscellaneous	93,200
Total general revenues	<u>2,181,484</u>
Change in net position	38,146
Net position - beginning	586,394
Net position - ending	<u>\$ 624,540</u>

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

<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>	
<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Governmental Activities</u>	<u>Component Units</u>
\$ -	\$ -	\$ (1,290,895)	\$ -
-	-	(250,513)	-
-	-	(68,718)	-
-	-	(160,904)	-
-	9,397	(133,095)	-
-	-	(111,524)	-
-	-	(44,433)	-
99,735	-	601	-
-	-	(56,440)	-
-	2,457	(26,958)	-
-	-	(459)	-
<u>\$ 99,735</u>	<u>\$ 11,854</u>	<u>\$ (2,143,338)</u>	<u>\$ -</u>
\$ 10,994	\$ 10,545	\$ -	\$ (177,715)
<u>\$ 10,994</u>	<u>\$ 10,545</u>	<u>\$ -</u>	<u>\$ (177,715)</u>

**THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY**

**BALANCE SHEET**

**GOVERNMENTAL FUNDS**

**JUNE 30, 2019**

**(dollar amounts expressed in thousands)**

	General	Contracted Services	Other Debt Service
<b>ASSETS</b>			
Cash	\$ 76,435	\$ 115	\$ -
Investments	27,753	-	89,882
Accounts receivable	4,123	38	-
Due from other governmental agencies	3,417	22,024	-
Due from other funds	65,104	726	-
Inventories	4,664	-	-
Total assets	<u>181,496</u>	<u>22,903</u>	<u>89,882</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	17,916	1,879	-
Salaries and wages payable	708	-	-
Payroll deductions and withholdings	3,017	-	-
Due to other funds	2,309	20,613	-
Due to other governmental agencies	6,577	1	-
Deposits payable	38	-	-
Advanced revenue	413	410	-
Total liabilities	<u>30,978</u>	<u>22,903</u>	<u>-</u>
Fund balances:			
Nonspendable	4,665	-	-
Restricted for:			
Federal programs	-	-	-
State programs	31,209	-	-
Local programs	7,390	-	-
Debt service	-	-	89,882
Capital projects	-	-	-
Assigned for District operations	6,923	-	-
Unassigned	100,331	-	-
Total fund balances	<u>150,518</u>	<u>-</u>	<u>89,882</u>
Total liabilities and fund balances	<u>\$ 181,496</u>	<u>\$ 22,903</u>	<u>\$ 89,882</u>

	Local Capital Improvement	Other Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Cash	\$ 33,607	\$ 127,953	\$ 28,632	\$ 266,742
Investments	11,586	8,600	24,013	161,834
Accounts receivable	1	8	316	4,486
Due from other governmental agencies	61	49,541	5,551	80,594
Due from other funds	3,961	273	1,822	71,886
Inventories	-	-	615	5,279
Total assets	<u>49,216</u>	<u>186,375</u>	<u>60,949</u>	<u>590,821</u>
Liabilities:				
Accounts payable	1,793	29,307	1,478	52,373
Salaries and wages payable	-	-	-	708
Payroll deductions and withholdings	-	-	-	3,017
Due to other funds	32,429	4,331	2,362	62,044
Due to other governmental agencies	-	-	-	6,578
Deposits payable	5	20	-	63
Advanced revenue	-	-	1,753	2,576
Total liabilities	<u>34,227</u>	<u>33,658</u>	<u>5,593</u>	<u>127,359</u>
Fund balances:				
Nonspendable	-	-	615	5,280
Restricted for:				
Federal programs	-	-	38,368	38,368
State programs	-	-	-	31,209
Local programs	-	-	-	7,390
Debt service	-	-	1,443	91,325
Capital projects	14,989	152,717	14,930	182,636
Assigned for District operations	-	-	-	6,923
Unassigned	-	-	-	100,331
Total fund balances	<u>14,989</u>	<u>152,717</u>	<u>55,356</u>	<u>463,462</u>
Total liabilities and fund balances	<u>\$ 49,216</u>	<u>\$ 186,375</u>	<u>\$ 60,949</u>	<u>\$ 590,821</u>

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

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**THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
 TO THE STATEMENT OF NET POSITION  
 JUNE 30, 2019  
 (dollar amounts expressed in thousands)**

<b>Total Fund Balances - Governmental Funds</b>	\$	463,462
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		2,228,117
Deferred outflows are applicable to future periods and therefore are not reported in the funds		474,483
Deferred outflows related to refunding	26,005	
Deferred outflows related to post employment benef	14,439	
Deferred outflows related to pension	434,039	
Deferred inflows are applicable to future periods and therefore are not reported in the funds		(247,861)
Deferred inflows related to post employment benefit	37,234	
Deferred inflows related to pension	210,627	
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 position.		781
Long term liabilities, including unamortized bond premiums, are not due and payable in the current period and therefore, are not reported in the funds.		
Post employment benefits	170,575	
Pension	1,078,998	
Compensated absences payable	183,728	
Certificates of participation	674,631	
Bonds payable	166,434	(2,274,366)
Accrued interest on long-term liabilities is not due and payable in the current period and therefore, is not reported in the funds.		(15,090)
Accrued construction retainage payable is not due and payable in the current period and therefore, is not reported in the funds.		(4,986)
<b>Total Net Position - Governmental Activities</b>	<b>\$</b>	<b>624,540</b>

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, 2019  
(dollar amounts expressed in thousands)**

	General	Contracted Services	Other Debt Service
<b>REVENUES</b>			
Local sources:			
Ad valorem taxes	\$ 491,199	\$ -	\$ -
Local sales tax	-	-	20,776
Food services	-	-	-
Interest income	5,120	-	1,201
Other	67,768	2,653	-
Total local sources	564,087	2,653	21,977
State sources:			
Florida education finance program	826,474	-	-
Categorical education programs	253,934	-	-
Workforce development	26,123	-	-
Food services supplement	-	-	-
Other	24,723	435	-
Total state sources	1,131,254	435	-
Federal sources:			
Food services	-	-	-
Federal grants direct	3,463	8,839	-
Federal grants through state	8,194	139,238	-
Federal grants through local	-	44,781	-
Total federal sources	11,657	192,858	-
Total revenues	1,706,998	195,946	21,977
<b>EXPENDITURES</b>			
Current:			
Instructional services:			
Basic programs	939,834	63,752	-
Exceptional child programs	194,094	13,629	-
Adult and vocational technical programs	56,486	3,563	-
Total instructional services	1,190,414	80,944	-
Instructional support services:			
Pupil personnel services	76,131	15,406	-
Instructional media services	22,114	2,603	-
Instruction and curriculum development services	23,940	31,412	-
Instructional staff training services	17,557	15,029	-
Instructional related technology	35,239	477	-
Total instructional support services	174,981	64,927	-
Pupil transportation services	68,474	639	-
Operation and maintenance of plant:			
Operation of plant	127,480	317	-
Maintenance of plant	29,519	-	-
Total operation and maintenance of plant	156,999	317	-
School administration	104,858	1,262	-
General administration:			
Central services	21,240	944	-
Board of education	2,439	-	-
General administration	6,220	4,538	-
Fiscal services	6,245	464	-
Administrative technology services	154	-	-
Total general administration	36,298	5,946	-

Local Capital Improvement	Other Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ 149,921	\$ -	\$ -	\$ 641,120
-	62,624	-	83,400
-	-	21,732	21,732
1,609	2,691	740	11,361
541	54,254	548	125,764
152,071	119,569	23,020	883,377
-	-	-	826,474
-	-	-	253,934
-	-	-	26,123
-	-	1,364	1,364
-	15,045	12,178	52,381
-	15,045	13,542	1,160,276
-	-	98,523	98,523
-	-	-	12,302
-	-	-	147,432
-	-	-	44,781
-	-	98,523	303,038
152,071	134,614	135,085	2,346,691
-	-	-	1,003,586
-	-	-	207,723
-	-	-	60,049
-	-	-	1,271,358
-	-	-	91,537
-	-	-	24,717
-	-	-	55,352
-	-	-	32,586
-	-	-	35,716
-	-	-	239,908
-	-	-	69,113
-	-	-	127,797
-	-	-	29,519
-	-	-	157,316
-	-	-	106,120
-	-	-	22,184
-	-	-	2,439
-	-	-	10,758
-	-	-	6,709
-	-	-	154
-	-	-	42,244

(continued)

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**THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY**

**STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(dollar amounts expressed in thousands)**

	General	Contracted Services	Other Debt Service	Local Capital Improvement	Other Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Facilities acquisition and construction	2,866	-	-	27,607	22,784	1,799	55,056
Charter school local capital improvement	-	-	-	-	61	-	61
Food services	1,276	-	-	-	-	116,543	117,819
Community services and other	19,916	36,231	-	-	-	-	56,147
Debt Service:							
Principal retirement	-	-	50,825	-	-	2,245	53,070
Interest	-	-	31,832	-	-	720	32,552
Dues, fees and other	-	-	536	-	-	13	549
Capital outlay:							
Facilities acquisition and construction	1,132	7	-	12,251	83,336	2,316	99,042
Other capital outlay	3,821	2,565	-	-	-	881	7,267
Total expenditures	1,761,035	192,838	83,193	39,858	106,181	124,517	2,307,622
Excess (deficiency) of revenues over (under) expenditures	(54,037)	3,108	(61,216)	112,213	28,433	10,568	39,069
<b>OTHER FINANCING SOURCES (USES):</b>							
Premium on sale of refunding certificates of participation	-	-	9,472	-	-	-	9,472
Refunding certificates of participation	-	-	64,995	-	-	-	64,995
Payments to refunded escrow agent - certificates of participation	-	-	(74,043)	-	-	-	(74,043)
Premium on sale of refunding bonds	-	-	-	-	-	62	62
Refunding bonds issued	-	-	-	-	-	392	392
Payments to refunded escrow agent - bonds	-	-	-	-	-	(450)	(450)
Transfers in	61,157	20	65,939	1,978	-	6,792	135,886
Transfers out	(2,805)	(3,128)	(20)	(110,249)	(11,843)	-	(128,045)
Total other financing sources and uses	58,352	(3,108)	66,343	(108,271)	(11,843)	6,796	8,269
Net change in fund balances	4,315	-	5,127	3,942	16,590	17,364	47,338
Fund balances - beginning	146,203	-	84,755	11,047	136,127	37,992	416,124
Fund balances - ending	\$ 150,518	\$ -	\$ 89,882	\$ 14,989	\$ 152,717	\$ 55,356	\$ 463,462

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



**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, 2019 (dollar amounts expressed in thousands)**

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 47,338</b>										
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 (\$106,309) was more than depreciation expense (\$94,885) during the current period.	11,424										
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 position differs by the cost of assets sold.	(5,518)										
Revenues reported in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	167										
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which payments of bond principal (\$53,070) and payments to refunding agent (\$74,493) was more than proceeds of (\$65,387) in the current year.	62,176										
	<table border="0"> <tr> <td>Principal retirement</td> <td style="text-align: right;">53,070</td> </tr> <tr> <td>Current refunding</td> <td style="text-align: right;">74,493</td> </tr> <tr> <td>Proceeds</td> <td style="text-align: right;">(65,387)</td> </tr> </table>	Principal retirement	53,070	Current refunding	74,493	Proceeds	(65,387)				
Principal retirement	53,070										
Current refunding	74,493										
Proceeds	(65,387)										
Governmental funds report certain bond transaction as resources or uses. However, in the statement of activities these transactions are reported over the life of the debt as (\$9,472 bond premium).	(9,472)										
Expenses in the statement of activities that do not require the use of current financial resources are not reported in the governmental funds:	(63,194)										
	<table border="0"> <tr> <td>Postemployment health care benefits</td> <td style="text-align: right;">(10,303)</td> </tr> <tr> <td>Interest expense</td> <td style="text-align: right;">333</td> </tr> <tr> <td>Compensated absences</td> <td style="text-align: right;">(14,075)</td> </tr> <tr> <td>Pension</td> <td style="text-align: right;">(42,442)</td> </tr> <tr> <td>Amortization of bond discount and premium:</td> <td style="text-align: right;">3,293</td> </tr> </table>	Postemployment health care benefits	(10,303)	Interest expense	333	Compensated absences	(14,075)	Pension	(42,442)	Amortization of bond discount and premium:	3,293
Postemployment health care benefits	(10,303)										
Interest expense	333										
Compensated absences	(14,075)										
Pension	(42,442)										
Amortization of bond discount and premium:	3,293										
Internal service funds are used by management to charge the cost of certain activities, such as insurance, to individual funds. The net revenue/(net expense) of internal service funds is reported with governmental activities.	(4,775)										
<b>Change in Net Position of Governmental Activities</b>	<b>\$ 38,146</b>										

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  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(dollar amounts expressed in thousands)**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Local sources:				
Ad valorem taxes	\$ 490,339	\$ 491,199	\$ 491,199	\$ -
Interest income	2,891	160	5,120	4,960
Other	75,689	72,727	67,768	(4,959)
Total local sources	568,919	564,086	564,087	1
State sources:				
Florida education finance program	840,064	826,474	826,474	-
Categorical programs	254,270	253,934	253,934	-
Workforce development	26,122	26,123	26,123	-
Other	20,582	27,459	24,723	(2,736)
Total state sources	1,141,038	1,133,990	1,131,254	(2,736)
Federal sources:				
Federal grants direct	3,469	3,463	3,463	-
Federal grants through state	9,000	8,242	8,194	(48)
Total federal sources	12,469	11,705	11,657	(48)
Total revenues	1,722,426	1,709,781	1,706,998	(2,783)
<b>EXPENDITURES</b>				
Current:				
Instructional services:				
Basic programs	934,914	961,781	939,834	21,947
Exceptional child programs	193,079	194,195	194,094	101
Adult and vocational technical programs	56,188	63,338	56,486	6,852
Total instructional services	1,184,181	1,219,314	1,190,414	28,900
Instructional support services:				
Pupil personnel services	81,103	79,528	76,131	3,397
Instructional media services	21,954	22,421	22,114	307
Instruction and curriculum development services	23,067	25,405	23,940	1,465
Instructional staff training services	16,316	21,905	17,557	4,348
Instructional related technology	33,117	35,278	35,239	39
Total instructional support services	175,557	184,537	174,981	9,556
Pupil transportation services	56,421	68,554	68,474	80
Operation and maintenance of plant:				
Operation of plant	135,158	127,865	127,480	385
Maintenance of plant	25,975	29,979	29,519	460
Total operation and maintenance of plant	161,133	157,844	156,999	845
School administration	103,675	105,087	104,858	229
General administration:				
Central services	19,314	23,602	21,240	2,362
Board of education	2,875	2,439	2,439	-
General administration	6,162	6,301	6,220	81
Fiscal services	6,499	6,340	6,245	95
Administrative technology services	188	154	154	-
Total general administration	35,038	38,836	36,298	2,538

**THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY**

**STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(dollar amounts expressed in thousands)**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Facilities acquisition and construction	1,686	3,364	2,866	498
Food services	853	1,277	1,276	1
Community services and other	20,910	23,089	19,916	3,173
Capital outlay:				
Facilities acquisition and construction	1,132	1,132	1,132	-
Other capital outlay	3,821	3,821	3,821	-
Total expenditures	1,744,407	1,806,855	1,761,035	45,820
Excess (deficiency) of revenues over (under) expenditures				
	(21,981)	(97,074)	(54,037)	43,037
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	25,000	6,116	61,157	55,041
Transfers out	(2,000)	(2,805)	(2,805)	-
Total other financing sources and uses	23,000	3,311	58,352	55,041
Net change in fund balances				
	1,019	(93,763)	4,315	98,078
Fund balances - beginning	140,699	100,053	146,203	46,150
Fund balances - ending	\$ 141,718	\$ 6,290	\$ 150,518	\$ 144,228

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  
BUDGET AND ACTUAL - MAJOR SPECIAL REVENUE FUND - CONTRACTED SERVICES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(dollar amounts expressed in thousands)**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Local sources:				
Other	\$ 3,647	\$ 3,049	\$ 2,653	\$ (396)
Total local sources	3,647	3,049	2,653	(396)
State sources:				
Other	1,197	437	435	(2)
Total state sources	1,197	437	435	(2)
Federal sources:				
Federal grants direct	21,211	12,599	8,839	(3,760)
Federal grants through state	148,162	166,202	139,238	(26,964)
Federal grants through local	56,512	63,933	44,781	(19,152)
Total federal sources	225,885	242,734	192,858	(49,876)
Total revenues	230,729	246,220	195,946	(50,274)
<b>EXPENDITURES</b>				
Current:				
Instructional services:				
Basic programs	73,090	80,043	63,752	16,291
Exceptional child programs	15,602	15,416	13,629	1,787
Adult and vocational technical programs	4,117	3,874	3,563	311
Total instructional services	92,809	99,333	80,944	18,389
Instructional support services:				
Pupil personnel services	16,974	17,310	15,406	1,904
Instructional media services	3,101	3,494	2,603	891
Instruction and curriculum development services	30,414	35,658	31,412	4,246
Instructional staff training services	15,280	20,827	15,029	5,798
Instructional related technology	2,914	664	477	187
Total instructional support services	68,683	77,953	64,927	13,026
Pupil transportation services	1,063	1,059	639	420
Operation and maintenance of plant:				
Operation of plant	219	391	317	74
Total operation and maintenance of plant	219	391	317	74
School administration	1,280	1,406	1,262	144
General administration:				
Central services	10,418	1,076	944	132
General administration	6,478	6,601	4,538	2,063
Fiscal services	669	510	464	46
Total general administration	17,565	8,187	5,946	2,241

**THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY**

**STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - MAJOR SPECIAL REVENUE FUND - CONTRACTED SERVICES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(dollar amounts expressed in thousands)**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Facilities acquisition and construction	112	39	-	39
Community services and other	46,427	52,170	36,231	15,939
Capital outlay:				
Facilities acquisition and construction	7	7	7	-
Other capital outlay	2,566	2,565	2,565	-
Total expenditures	230,731	243,110	192,838	50,272
Excess (deficiency) of revenues over (under) expenditures	(2)	3,110	3,108	(2)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	20	20	-
Transfers out	-	-	(3,128)	(3,128)
Total other financing sources and uses	-	20	(3,108)	(3,128)
Net change in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

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



**THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY**

**STATEMENT OF NET POSITION**

**PROPRIETARY FUNDS**

**JUNE 30, 2019**

**(dollar amounts expressed in thousands)**

	<b>Internal Service Funds</b>
<b>ASSETS</b>	
Current assets:	
Cash	\$ 10,682
Investments	51,356
Accounts receivable	262
Due from other governmental agencies	474
Due from other funds	551
Total assets	<u>63,325</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	15,171
Due to other funds	10,393
Advanced revenue	14,857
Estimated liability for claims	8,050
Total current liabilities	<u>48,471</u>
Noncurrent liabilities:	
Estimated liability for claims	14,073
Total noncurrent liabilities	<u>14,073</u>
Total liabilities	<u>62,544</u>
<b>NET POSITION</b>	
Unrestricted	781
Total net position	<u>\$ 781</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 POSITION**

**PROPRIETARY FUNDS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**(dollar amounts expressed in thousands)**

	<b>Internal Service Funds</b>
<b>OPERATING REVENUES:</b>	
Premium revenue from other funds	\$ 193,362
Other revenue	584
Total operating revenues	<u>193,946</u>
<b>OPERATING EXPENSES:</b>	
Salaries	532
Benefits	209
Purchased services	121
Claims, premiums and other	190,694
Total operating expenses	<u>191,556</u>
 Operating income	 <u>2,390</u>
<b>NON OPERATING REVENUE:</b>	
Interest	677
Total non-operating revenue	<u>677</u>
 Income before transfers	 3,067
 <b>TRANSFERS IN</b>	 2,552
 <b>TRANSFERS OUT</b>	 <u>(10,393)</u>
 Change in net position	 (4,774)
 Total net position - beginning	 <u>5,555</u>
Total net position - ending	<u>\$ 781</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, 2019  
(dollar amounts expressed in thousands)**

	<u>Internal Service Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from interfund services provided	\$ 193,207
Payment to suppliers	(192,707)
Payment to employees	(741)
Other receipts	528
Net cash provided by operating activities	<u>287</u>
<b>CASH FLOWS FROM NON CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Transfers from other funds	2,552
Transfers to other funds	(10,944)
Due to other funds	10,344
Net cash provided by noncapital and related financing activities	<u>1,952</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Proceeds from sales and maturities of investments	5,999
Purchase of investments	(1,508)
Interest on investments	677
Net cash provided by investing activities	<u>5,168</u>
Net increase in cash	7,407
Cash - Beginning of year	<u>3,275</u>
Cash - End of year	<u>\$ 10,682</u>
<b>Reconciliation of operating income to net cash provided by (used in) operating activities:</b>	
Operating income (loss)	\$ 2,390
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Change in assets and liabilities:	
Increase in accounts receivable	(72)
Decrease in due from other governmental agencies	57
Decrease in accounts payable	(585)
Decrease in estimated liability for long-term claims	(1,364)
Decrease in advanced revenue	(139)
Total adjustments	<u>(2,103)</u>
Net cash provided by operating activities	<u>\$ 287</u>

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

**THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY**

**STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2019**

(dollar amounts expressed in thousands)

	<u>Pension Trust Fund</u>	<u>Agency Funds</u>
<b>ASSETS</b>		
Cash	\$ -	\$ 17,790
Investments, at fair value:		
Money market	180	-
State Board of Administration	-	42,799
U.S. Government securities	9,750	-
Total investments	9,930	42,799
Accounts receivable, net	52	-
Inventory	-	173
Total assets	<u>9,982</u>	<u>60,762</u>
<b>LIABILITIES</b>		
Accounts payable	-	1,043
Due to student organizations	-	17,863
Payroll deductions	-	41,856
Total liabilities	<u>-</u>	<u>60,762</u>
<b>NET POSITION</b>		
Assets held in trust for pension benefits	9,982	-
Total net position restricted for pensions	<u>\$ 9,982</u>	<u>\$ -</u>

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 POSITION  
 FIDUCIARY FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
 (dollar amounts expressed in thousands)**

	<b>Pension Trust Fund</b>
<b>ADDITIONS</b>	
Contributions received from employer	\$ 1,195
Investment income:	
Interest income	187
Net change in fair value of investments	153
Total investment income	340
Less investment expense	26
Net investment income	314
Total additions	1,509
<b>DEDUCTIONS</b>	
Benefit payments	1,838
Administrative expenses	11
Total deductions	1,849
Net decrease in net position	(340)
Total net position - beginning	10,322
Total net position - ending	\$ 9,982

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The School District of Hillsborough County, Florida (District) has direct responsibility for the operation, control, and supervision of the District schools and is considered a primary government for financial reporting purposes. The 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 (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 District and its component units. Criteria for determining if other entities are potential component units, which should be reported within the District's financial statements, are identified and described in Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity, as amended by GASB Statement No. 39, Determining Whether Certain Organizations Are Component Units, GASB Statement No. 61, The Financial Reporting Entity – Omnibus, and GASB Statement No. 80, Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14. The application of these criteria provide for identification of any entities for which the Board is financially accountable and other organizations for which the nature and significance of their relationship with the School Board are such that exclusion would cause the District's financial statements to be misleading or incomplete.

Based on the application of these criteria, the following component units are included within the District'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. The governing board of the Corporation is the same as the Board. Financial records for the Corporation are maintained by the District and District staff is responsible for the day-to-day operation of the Corporation. Due to the substantive economic relationship between the District and the Corporation, the financial activities of the Corporation are included in the accompanying financial statements of the District in the Other Capital Projects Fund. Separate financial statements of the Corporation are not published.

Discretely Presented Component Units

The component units column in the government wide financial statements includes the financial data of the District's discretely presented component units for the fiscal year ended June 30, 2019. These component units consist of the District's Charter Schools. Charter Schools are reported in a separate column to emphasize that they are legally separate from the District. While the District's officials are not financially accountable for 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.

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA  
 NOTES TO THE FINANCIAL STATEMENTS  
 June 30, 2019  
 (dollar amounts expressed in thousands)

A. Reporting Entity (continued)

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 Board. There are forty-seven (47) Charter Schools operating in the District 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 discretely presented component units can be obtained from their administrative offices. These schools include:

Advantage Academy of Hillsborough 304 West Prosser Drive Plant City, FL 33563	Avant Garde Academy Westchase 13901 Sheldon Road Tampa, FL 33625
Bell Creek Academy 13221 Boyette Road Riverview, FL 33569	Bell Creek Academy High School 13221 Boyette Road Riverview, FL 33569
BridgePrep Academy of Riverview 6309 South US Highway 301 Riverview, FL 33578	BridgePrep Academy of Tampa 2418 W. Swann Avenue Tampa, FL 33609
Brooks DeBartolo Collegiate High School 10948 N. Central Avenue Tampa, FL 33612	Channelside Charter School of Math & Science 1029 E. Twigg Street Tampa, FL 33602
Channelside Academy Middle School 1029 E. Twigg Street Tampa, FL 33602	Community Charter School of Excellence 1251 E. Fowler Avenue, Suite A Tampa, FL 33612
Creekside Charter Academy 14036 US Highway 301 Riverview, FL 33578	East Tampa Academy 4309 N. 34 <sup>th</sup> Street Tampa, FL 33610
Excelsior Prep Charter School 2156 University Square Mall, Unit 260 Tampa, FL 33612	Florida Autism Center of Excellence 6310 E. Sligh Ave. Tampa, FL 33617
Florida Connections Academy (Virtual) 5805 Breckenridge Pkwy, Suites E & F Tampa, FL 33610	Focus Academy 304 Druid Hills Road Temple Terrace, FL 33617
Henderson Hammock Charter School 10322 Henderson Road Tampa, FL 33625	Hillsborough Academy of Math & Science 9659 W. Waters Avenue Tampa, FL 33635

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA  
 NOTES TO THE FINANCIAL STATEMENTS  
 June 30, 2019  
 (dollar amounts expressed in thousands)

A. Reporting Entity (continued)

Horizon Charter School of Tampa 7235 W. Hillsborough Avenue Tampa, FL 33634	Independence Academy 12902 E. US Highway 92 Dover, FL 33527
Kid's Community College Charter High School 10550 Johanna Avenue Riverview, FL 33578	Kid's Community College Riverview South 10030 Mathog Road Riverview, FL 33578
Kid's Community College Charter School Southeast 11519 McMullen Road Riverview, FL 33569	Kid's Community College Southeast Middle Charter School 11513 McMullen Road Riverview, FL 33569
Learning Gate Community School 16215 Hanna Road Lutz, FL 33549	Legacy Preparatory Academy 302 E. Linebaugh Avenue Tampa, FL 33612
Literacy/Leadership/Technology Academy 6771 Madison Avenue Tampa, FL 33619	Lutz Preparatory School 17951 North US Highway 41 Lutz, FL 33549
New Springs Schools 2410 E. Busch Boulevard Tampa, FL 33612	Pepin Academies 3916 E. Hillsborough Avenue Tampa, FL 33624
Pivot Charter School 3020 Falkenburg Road Riverview, FL 33578	Plato Academy Tampa Charter School 4903 Ehrlich Road Tampa, FL 33624
Seminole Heights Charter High School 4006 N. Florida Avenue Tampa, FL 33603	SouthShore Charter Academy 11667 Big Bend Road Riverview, FL 33579
Sports Leadership and Management Academy (Tampa) 7116 Gunn Highway Tampa, FL 33625	Sunlake Academy of Math and Science 18681 N. Dale Mabry Highway Lutz, FL 33548
Terrace Community Middle School 11734 Jefferson Road Thonotosassa, FL 33592	The Collaboratory Preparatory Academy 6406 E. Chelsea Street Tampa, FL 33610

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA  
 NOTES TO THE FINANCIAL STATEMENTS  
 June 30, 2019  
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SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA  
 NOTES TO THE FINANCIAL STATEMENTS  
 June 30, 2019  
 (dollar amounts expressed in thousands)

A. Reporting Entity (continued)

Trinity School for Children 2402 W. Osborne Avenue Tampa, FL 33603	Valrico Lake Advantage Academy 13306 Boyette Road Riverview, FL 33569
Village of Excellence Academy 8718 North 46 <sup>th</sup> Street Temple Terrace, FL 33617	Village of Excellence Middle School 4600 E. Busch Blvd. Tampa, FL 33617
Walton Academy for the Performing Arts 4817 N. Florida Avenue Tampa, FL 33603	Waterset Charter School 6540 Knowledge Lane Apollo Beach, FL 33572
West University Charter High School 11602 N. 15 <sup>th</sup> Street Tampa, FL 33612	Winthrop Charter School 6204 Scholars Hill Lane Riverview, FL 33578
Woodmont Charter School 10402 N. 56 <sup>th</sup> St. Temple Terrace, FL 33617	

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 Position and a Statement of Activities that display information about the primary government, the District, 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 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'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

B. Basis of Presentation (continued)

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.

Fund Financial Statements – The fund financial statements provide information about the District's funds, including its fiduciary funds and blended component unit. 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 funds from the State or Federal Government which are restricted for Federal programs.

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

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

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

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 plus deferred outflows of resources less liabilities and deferred inflows of resources). 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 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.

E. Investments

Investments of the general government consist of amounts placed with the State Board of Administration (Florida Prime) for participation in the State investment pool, public fund certificates of deposit and those made by the State Board of Administration from the District's bond proceeds held and administered by the State Board of Education.

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. Such investments are stated at fair value. Investments of the early retirement program are also reported at fair value.

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

F. Inventory

Inventories consist of expendable supplies and parts held for consumption in the course of District operations. Inventories at the central warehouse, maintenance, technology repair 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 acquired are recorded at cost in the government-wide statement of net position 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 dollars and having a useful life of more than one year; those purchased before July 1, 2004 are defined as those costing more than \$750 dollars and having a useful life of more than one year. Donated assets are recorded at acquisition 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	15-50 years
Improvements other than buildings	10-25 years
Building improvements	10-25 years
Furniture, fixtures and equipment	5-20 years
Motor vehicles	4-10 years
Audio visual materials and computer software	3-5 years

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA  
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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 position. Bond premiums, discounts, and gains and losses on refunding issuances 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. Gains and losses on refunding issuances are netted and reported as deferred outflows of resources.

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, gains and losses on refunding issuances during the current period. The face amount of debt issued, as well as any related premium and gain on refunding issuances are reported as an other financing source while discounts on debt issuances and losses on refunding issuances are reported as an other financing use.

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 liabilities for the current year are reported in note 11.

I. Lease Obligations

The District has operating leases for facility rental. These agreements allow use of a facility that meet specific needs of certain programs. Adult Education pays rental fees out of workforce funding, while Student Nutrition Services pays with earned revenue.

J. State Revenue Sources

Revenues from State sources for current operations are primarily from the Florida Education Finance Program (FEFP), which is 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 FTEs 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 amounts not

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA  
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J. State Revenue Sources (continued)

expended or encumbered as of the close of the fiscal year are 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 restricted for the balance of categorical educational program resources.

K. 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 2018 tax levy for the 2019 fiscal year on September 11, 2018. 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.

L. 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.

M. Deferred Outflows of Resources and Deferred Inflows of Resources

In the government-wide financial statements, the District records deferred outflows of resources which represent the consumption of net position by the District that is applicable to a future reporting period. At June 30, 2019, deferred outflows of resources represent the deferred charge on refunding as discussed in note 10, pension related items as discussed in note 17 and 18, and other post employee benefit related items as discussed in note 19.

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA  
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 June 30, 2019  
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M. Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

In addition to liabilities on the government-wide financial statements, the District records deferred inflows of resources which represent an acquisition of net position that applies to future periods. At June 30, 2019, deferred inflows of resources represent the activity associated with pension related items as discussed in note 17 and other post employee benefit related items discussed in note 19.

N. 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, deferred outflows of resources and liabilities, and deferred inflows of resources 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.

2. BUDGET COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The District 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 10, 2019.
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.

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA  
 NOTES TO THE FINANCIAL STATEMENTS  
 June 30, 2019  
 (dollar amounts expressed in thousands)

2. BUDGET COMPLIANCE AND ACCOUNTABILITY (continued)

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 re-appropriated in the subsequent year. Encumbrances outstanding at year-end do not represent GAAP expenditures or liabilities but represent budgetary accounting controls.

3. CASH AND INVESTMENTS

At June 30, 2019, 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, 2019, the District had the following investments and maturities:

Investment	Maturities	Fair Value
U.S. Treasuries	10/15/2019 - 01/31/2022	\$ 9,413
U.S. Agencies	07/01/2019 - 05/06/2021	7,660
State Board of Administration:		
Florida PRIME	28 Days	247,992
Debt service account	28 Days	237
Certificates of deposit	7/17/2019	437
Wells Fargo Advantage Treasury		
Plus Money Market	N/A	<u>180</u>
<b>Total Investments</b>		<b><u>\$ 265,919</u></b>

Investments are reflected in the financial statements as follows:

Governmental funds	\$ 161,834
Internal service funds	51,356
Fiduciary funds	
Pension trust	9,930
Agency	<u>42,799</u>
<b>Total Primary Government</b>	<b><u>\$ 265,919</u></b>



SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA  
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3. CASH AND INVESTMENTS (continued)

Interest Rate Risk

The District has a formal investment policy which states that the investment objectives are safety of capital, liquidity of funds, and investment income, in that order. The performance measurement objective shall be to exceed the State Board of Administration's Florida PRIME yield. The policy limits the type of investments and the length of investments of idle funds. The weighted average duration of the investment portfolio shall not exceed five years.

Credit Risk

Section 218.415(17), Florida Statutes, limits the types of investments that the District can hold. The District policy authorizes the following investments:

- (a) The State Board of Administration (SBA) Investment Pool, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided by Section 163.01, Florida Statutes.
- (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(26), Florida Statutes.
- (d) Direct obligations of the U.S. Treasury.
- (e) Obligations of Federal agencies, government sponsored enterprises, and instrumentalities.
- (f) Securities of, or other interest in, any open-end or closed-end management type investment company or trust registered under the Investment Company Act of 1940, 15 U.S.C. 80a-1.
- (g) Short-term obligations commonly referred to as "money market instruments" including but not limited to commercial paper, provided such obligations carry the highest credit rating from a nationally recognized rating agency.
- (h) Asset-backed securities when either a) the underlying asset is guaranteed by the issuer or b) the security carries the highest quality rating by a nationally recognized rating agency.

The District's investments in the SBA consist of Florida PRIME.

Florida PRIME 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 Florida PRIME is reported at the account balance which is considered fair value. Florida PRIME is rated AAA by Standard & Poors.

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3. CASH AND INVESTMENTS (continued)

The District's investments in United States Agencies or Treasuries for the Pension Trust Fund were rated either AA+ by Standard and Poors or AAA by Moody's Investors Services. The remaining government securities were rated either A/AA- by Standard and Poors or A2/Aa3 by Moody's Investors Services.

The District's investments in Certificates of Deposits were in qualified public depositories.

Investments in the State Board of Administration Debt Service Account totaling \$237 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's investment policy requires that securities purchased or otherwise acquired by the District shall be properly designated as an asset of the District. Also, Section 218.415(18), Florida Statutes 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, Florida Statutes 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, \$9,413 of U. S. Treasuries and \$7,660 of U.S. Agencies 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's investment policy has established permitted investment sectors which are designed to reduce concentration of credit risk to the District's investment portfolio. Less than 5% of the District's investments are in Government Sponsored Enterprise Securities.

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3. CASH AND INVESTMENTS (continued)

Foreign Currency Risk

The District has no investments which are exposed to foreign currency risk at June 30, 2019. The District does not have a formal investment policy that limits its investment in foreign currency.

Fair Value Measurement

The District categorizes its fair value measurement within the hierarchy established by U.S. generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District has the following fair value measurements as of June 30, 2019:

- U.S. treasury securities of \$9,413 are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices (Level 2 inputs).
- U.S. agency securities of \$7,660 are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices (Level 2 inputs).
- Money markets of \$180 are valued using the quoted market prices (Level 1 inputs).
- Certificate of deposits of \$437 are valued using the quoted market prices (Level 1 inputs).

SBA deposits of \$248,229 are valued using the net asset value (NAV) per share as a practical expedient to estimate fair value.

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3. CASH AND INVESTMENTS (continued)

	Fair Value Measurement Using				
	Quoted Prices in Active Markets for Identical Assets (Level 1)		Significant Other Observable Inputs (Level 2)		Significant Unobservable Inputs (Level 3)
	June 30, 2019				
<b>Investments by fair value level</b>					
Debt securities:					
U.S. Treasuries	\$ 9,413	\$ -	\$ 9,413	\$ -	-
U.S. Agencies	7,660	-	7,660	-	-
Total debt securities	\$ 17,073	\$ -	\$ 17,073	-	-
Money market	180	180	-	-	-
Certificates of deposit	437	437	-	-	-
Total investments at fair value	\$ 17,690	\$ 617	\$ 17,073	\$ -	-
<b>Investments measured at net asset value (NAV)</b>					
State Board of Administration	\$ 248,229				
Total investments	\$ 265,919				

4. DUE FROM OTHER GOVERNMENTAL AGENCIES

Amounts due from other governmental agencies as of June 30, 2019 are shown below:

	General Fund	Contracted Services	Other Debt Service	Local Capital Improvement	Other Capital Projects Fund	Non-Major and Other Funds	Total
Federal Government:							
Miscellaneous	\$ 257	\$ 19,128	\$ -	\$ -	\$ -	\$ -	\$ 19,385
State Government:							
Food Reimbursement	-	-	-	-	-	1,471	1,471
Miscellaneous State	2,061	104	-	-	12,426	4,554	19,145
Local Government:							
Hillsborough County Board of County Commissioners	256	2,703	-	61	37,115	-	40,135
Miscellaneous	843	89	-	-	-	-	932
Total:	\$ 3,417	\$ 22,024	\$ -	\$ 61	\$ 49,541	\$ 6,025	\$ 81,068

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5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 was as follows:

Description	Beginning Balances	Additions	Deletions	Ending Balances
<u>Capital assets not being depreciated:</u>				
Land	\$ 161,410	\$ -	\$ 2,082	\$ 159,328
Land improvements-non depreciable	96,118	15	363	95,770
Construction in progress	39,069	94,100	43,227	89,942
<b>Total capital assets not being depreciated</b>	<b>296,597</b>	<b>94,115</b>	<b>45,672</b>	<b>345,040</b>
<u>Capital assets being depreciated:</u>				
Improvements other than buildings	227,352	6,385	1,863	231,874
Buildings and systems	2,807,933	36,833	11,049	2,833,717
Furniture, fixtures and equipment	145,827	7,977	8,923	144,881
Leashold improvements	6,788	-	-	6,788
Motor vehicles	120,560	8,588	4,810	124,338
Computer software	19,093	1,932	1,021	20,004
<b>Total capital assets being depreciated</b>	<b>3,327,553</b>	<b>61,715</b>	<b>27,666</b>	<b>3,361,602</b>
Less accumulated depreciation for:				
Improvements other than buildings	155,201	7,196	1,721	160,676
Buildings and systems	1,029,283	73,505	6,363	1,096,425
Furniture, fixtures, and equipment	122,897	6,893	8,181	121,609
Leasehold improvements	252	132	-	384
Motor vehicles	79,603	6,019	4,800	80,822
Computer software	18,488	1,140	1,019	18,609
Total accumulated depreciation	1,405,724	94,885	22,084	1,478,525
<b>Total capital assets being depreciated (net)</b>	<b>1,921,829</b>	<b>(33,170)</b>	<b>5,582</b>	<b>1,883,077</b>
Governmental Activities Capital Assets (net)	\$ 2,218,426	\$ 60,945	\$ 51,254	\$ 2,228,117

5. CAPITAL ASSETS (continued)

Depreciation expense was charged to governmental functions as follows:

Instructional services	\$ 2,887
Instructional support services	2,338
Pupil transportation services	126
Operation and maintenance of plant	446
Non-capitalizable facilities acquisition and construction	87,310
School administration	129
General administration	135
Food services	1,015
Community services and other	40
Un-Allocated depreciation	459
<b>Total depreciation expense</b>	<b>\$94,885</b>

6. LINE OF CREDIT

Pursuant to the provisions of Section 1011.13, Florida Statutes, on May 1, 2018 the Board authorized the Superintendent to establish a Line of Credit Tax Anticipation Note for fiscal year 2019, in the amount of \$100,000 with Wells Fargo Bank, N.A. For the year ended June 30, 2019, no funds had been borrowed or utilized under a line-of-credit, and therefore no amounts are outstanding at June 30, 2019.

7. OPERATING LEASE

The District entered into a 10 and 15 year facility lease for Adult Education and Student Nutrition Services, respectively. The facility lease for Adult Education ends June 30, 2020 with an expected renewal. The facility lease for Student Nutrition Services ends February 28, 2032. Adult Education funds its lease with workforce dollars. Student Nutrition Services utilizes earned revenue to pay its lease. Rental expenditures in Fiscal Year 2019 for Adult Education was \$155 and Student Nutrition Services was \$395. The District has entered into other operating leases; however, they are not considered material.

The following is a schedule, by years, of the District's portion of future minimum rental payments required under operating leases that have lease terms in excess of one year.

Fiscal Year Ending June 30	Annual Amount
2020	\$ 564
2021	415
2022	425
2023	436
2024 - 2028	2,347
2029 - 2032	1,961
<b>Total</b>	<b>\$ 6,148</b>

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8. 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 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 District.

As a condition of the financing arrangement, the District has given ground leases on District property to the 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 of Participation to the end of the ground lease term. Generally, the Certificates of Participation maturity and the ground lease term expiration are consistent.

Certificates of Participation that are still part of the District's debt obligation are as follows:

Certificates	Date of Certificates	Original Amount of Certificates	Remaining Amount of Certificates	Ground Lease Term Expiration
Series 2004 QZAB	June 8, 2004	\$ 6,131	\$ 6,131	June 07, 2020
Series 2005 QZAB	December 20, 2005	3,002	3,002	Dec. 20, 2020
Series 2010A	April 15, 2010	97,545	76,890	June 30, 2025
Series 2010 QSCB	December 21, 2010	37,935	37,935	Nov. 30, 2028
Series 2012A	April 3, 2012	124,565	69,050	June 30, 2029
Series 2014A	April 2, 2014	39,950	27,715	June 30, 2028
Series 2015A	August 20, 2015	100,625	94,655	June 30, 2031
Series 2016A	March 31, 2016	53,350	50,810	June 30, 2031
Series 2017A	May 25, 2017	32,445	30,240	June 30, 2026
Series 2017B	November 13, 2017	51,915	51,915	June 30, 2028
Series 2017C	November 13, 2017	97,380	97,380	June 30, 2023
Series 2017D	November 13, 2017	13,585	12,895	June 30, 2019
Series 2018	November 14, 2018	<u>64,995</u>	<u>64,995</u>	June 30, 2030
Totals		<u>\$ 723,423</u>	<u>\$ 623,613</u>	

The Series 2010A Certificates of Participation were issued in order to provide the funds necessary to partially refund the Series 2001A Certificates of Participation and refinance the educational facilities that the District acquired, constructed and installed from the proceeds of the Series 2001A Certificates of Participation. The Series 2012A Certificates of Participation were issued in order to provide funds necessary to partially advance refund the Series 2002 Certificates of Participation and fully refund the Series 2003B Certificates of Participation and refinance the educational facilities that the District acquired, constructed and installed from the proceeds of the Series 2002 and Series 2003B Certificates of Participation. The Series 2014A Certificates of Participation were issued in order to provide funds necessary to fully advance refund the Series 2002 Certificates of Participation and partially advance refund the Series 2004B Certificates of Participation and refinance the educational facilities that the District acquired, constructed and installed from the proceeds of the Series 2002 and Series 2004B Certificates of Participation. The Series 2015A Certificates of Participation were issued in order to refund the Series 2005A

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8. OBLIGATIONS UNDER LEASE PURCHASE AGREEMENT – CERTIFICATES OF PARTICIPATION  
 (continued)

and advance refund the Series 2006A Certificates of Participation and refinance the educational facilities that the District acquired, constructed and installed from the proceeds of the 2005A and 2006A Certificates of Participation. The Series 2016A Certificates of Participation were issued in order to advance refund the Series 2007 Certificates of Participation and refinance the educational facilities that the District acquired, constructed and installed from the proceeds of the 2007 Certificates of Participation. The Series 2017A Certificates of Participation were issued in order to advance refund the Series 2006B Certificates of Participation and refinance the educational facilities that the District acquired, constructed, and installed from the proceeds of the 2006B Certificates of Participation. The Series 2017B Certificates of Participation were issued in order to advance refund the Series 2012A Certificate of Participation and refinance the educational facilities that the School Board acquired, constructed and installed from the proceeds of the 2012A Certificates of Participation. The Series 2017C Certificates of Participation were issued in order to refund the Series 2008A Certificates of Participation and refinance the educational facilities that the School Board acquired, constructed and installed from the proceeds of the 2008A Certificates of Participation. The Series 2017D Certificates of Participation were issued in order to terminate the swap associated with the Series 2008A Certificates of Participation. The series 2018 Certificates of Participation were issued in order to refund the Series 2015B Certificates of Participation and refinance the educational facilities that the school board acquired, constructed, and installed from the proceeds of the 2015B Certificates of Participation. See Note 10 for current issuances.

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 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.

The lease payments for the Series 2010A, Series 2012A, Series 2014A, Series 2015A, Series 2016A, Series 2017A, 2017B, 2017C, 2017D, and 2018 Certificates are payable by the District, semi-annually, on July 1 and January 1 at interest rates of 3.00 to 5.00 percent, 4.00 to 5.00 percent, 2.56 percent, 2.00 to 5.00 percent, 5.00 percent, 4.00 to 5.00 percent, 5.00 percent, 5.00 percent, 1.80 to 1.98, and 5.00 percent respectively. The lease payments for the Series 2004-QZAB, 2005-QZAB and 2010-QSCB Certificates are due June 7, 2020, December 20, 2020 and December 1, 2028, respectively. There is no interest to be paid on the QZABs or QSCB, 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.

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8. OBLIGATIONS UNDER LEASE PURCHASE AGREEMENT – CERTIFICATES OF PARTICIPATION  
 (continued)

The following is a schedule by years of future minimum lease payments under the lease agreements as of June 30:

Fiscal Year Ending June 30	Total	Principal	Interest
2020	\$ 69,488	\$ 43,101	\$ 26,387
2021	64,949	40,132	24,817
2022	62,189	39,180	23,009
2023	62,289	41,175	21,114
2024	62,239	43,115	19,124
2025 - 2029	348,358	285,735	62,623
2030 - 2034	138,981	131,175	7,806
<b>Total Minimum Lease Payments</b>	<b>\$ 808,493</b>	<b>\$ 623,613</b>	<b>\$ 184,880</b>

9. BONDS PAYABLE

Bonds payable at June 30, 2019 were as follows:

Bond Type	Amount Outstanding	Interest Rates (Percent)	Annual Maturity to:
<b>State School Bonds:</b>			
Series 2010-A	\$ 2,245	3.0 - 5.0	2030
Series 2011-A	845	3.0 - 5.0	2023
Series 2014-A	1,512	2.0 - 5.0	2025
Series 2014-B	501	2.0 - 5.0	2021
Series 2017-A	4,777	3.0 - 5.0	2028
Series 2019	392	5.0	2029
<b>District Revenue Bonds:</b>			
Series 2015 Capital Improvement & Racetrack Revenue Refunding	4,835	2.0 - 4.0	2033
Series 2015A Sales Tax Refunding	13,720	1.4	2020
Series 2015B Sales Tax Refunding	65,195	3.0 - 5.0	2027
Series 2017A Sales Tax Refunding	65,490	2.49	2027
<b>Total Bonds Payable</b>	<b>\$ 159,512</b>		

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9. BONDS PAYABLE (continued)

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 fdissecured 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

Series 2015 Capital Improvement and Racetrack Revenue Refunding Bonds

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.

Sales Tax Revenue Bonds Series 2015A, 2015B and 2017A

These bonds are authorized by the Constitution and Laws of the State of Florida, including, particularly Chapter 1010, Florida Statutes, Chapter 212, Part 1, 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, 2019, are as follows:

TOTAL STATE BOARD OF EDUCATION BONDS			
Fiscal Year Ending June 30	Total	Principal	Interest
2020	\$ 2,115	\$ 1,652	\$ 463
2021	1,634	1,238	396
2022	1,668	1,334	334
2023	1,563	1,291	272
2024	1,343	1,129	214
2025 - 2029	3,848	3,443	405
2030	192	185	7
<b>Total Debt Service Payments</b>	<b>\$ 12,363</b>	<b>\$ 10,272</b>	<b>\$ 2,091</b>

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9. BONDS PAYABLE (continued)

TOTAL DISTRICT REVENUE BONDS

Fiscal Year Ending June 30	Total	Principal	Interest
2020	\$ 21,202	\$ 16,145	\$ 5,057
2021	20,949	16,395	4,554
2022	20,931	17,145	3,786
2023	20,915	17,935	2,980
2024	20,890	18,755	2,135
2025 - 2029	64,029	61,255	2,774
2030 - 2033	1,718	1,610	108
Total Debt Service Payments	<u>\$ 170,634</u>	<u>\$ 149,240</u>	<u>\$ 21,394</u>

10. DEFEASED DEBT

On November 14, 2018, the District issued \$64,995 Certificates of Participation, Series 2018 at a premium with an interest rate of 5.00%. The proceeds were used to fully refund \$73,990 principal amount of the District's Series 2015B Certificates of Participation. The amount of \$74,043 of the net proceeds (after payment of \$475) of issuance costs) were placed in an irrevocable trust to provide for future debt service payments of the refunded amount of the Series 2015B Certificates of Participation. As a result, \$73,990 of the Series 2015B are considered defeased and the liability for these certificates has been removed from long term debt. Accordingly, the trust account assets and liability for that portion of the Series 2015B are not included in the District's financial statements. As a result of the refunding, the District reduced its total debt service requirements by \$73,990 which resulted in an economic loss of \$53.

On January 17, 2019, the State Board of Education issued Series 2019A SBE Refunding Bonds in the amount of \$392 at a premium, with an interest rate of 5.0% on behalf of the District. The amount of \$450 of the net proceeds (after payment of \$4 in underwriter fees and other issuance costs) were placed in an irrevocable trust to refund the 2009A bonds that mature on or after January 1, 2020 and were called for redemption on January 22, 2019. As a result of the refunding, the District reduced its total debt service requirement by \$445 which resulted in an economic loss of \$5.

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11. CHANGES IN LONG TERM LIABILITIES

The following is a summary of changes in general long-term liabilities:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Due in One Year
Estimated liability for long term claims	\$ 23,487	\$ 6,052	\$ 7,416	\$ 22,123	\$ 8,050
Post employment benefits	160,196	10,379	-	170,575	-
Compensated absences	169,654	50,860	36,786	183,728	13,006
Net pension liability					
State - FRS	729,291	-	22,729	706,562	-
State - HIS	385,423	-	25,570	359,853	10,732
Early Retirement Program	14,238	-	1,655	12,583	-
Certificate of participation	667,808	64,995	109,190	623,613	43,101
Bonds payable	177,435	392	18,315	159,512	17,797
TOTAL	<u>\$ 2,327,532</u>	<u>\$ 132,678</u>	<u>\$ 221,661</u>	<u>\$ 2,238,549</u>	<u>\$ 92,686</u>
Plus unamortized bond premium					
Certificates of Participation				51,018	
Bonds payable				<u>6,922</u>	
Total Long-Term liabilities				<u>\$ 2,296,489</u>	

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, net pension liability, and other postemployment 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. FUND BALANCE REPORTING

The Governmental Accounting Standards Board (GASB) issued Statement No. 54, Fund Balance Reporting and Government Fund Type Definitions (GASB 54) with intention of providing more structured classification of fund balance reporting. The reporting standards established a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources.

GASB 54 provides for two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal of an endowment fund. The District has inventories that are considered nonspendable. The District does not have any other nonspendable fund balances.

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12. FUND BALANCE REPORTING (continued)

GASB 54 provides a hierarchy of spendable fund balances, based on spending constraints:  
Restricted – fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.  
Committed – fund balance that contain self-imposed constraints by the Board, (the District’s highest level of decision-making authority). The Board has not established a policy to commit fund balance, therefore no such balance is reported.  
Assigned – fund balances that contain self-imposed constraints of the government to be used for a particular purpose. The District has a policy approved by the Board that designates administrative staff (the Superintendent and Chief Business Officer) to determine the assignments.  
Unassigned – fund balance of the general fund that is not constrained for a particular purpose.

The District has classified its fund balances based on the GASB 54 hierarchy as follows:  
 Nonspendable – The District has inventories totaling \$5,280 that are classified as nonspendable.

Spendable – The District has classified the spendable fund balances as restricted, assigned and unassigned. The District currently has no funds classified as committed.

Restricted:

Federal Laws, Florida Statutes and local constraints require that certain revenues be specifically used for certain expenditures. These funds have been included in the restricted category of fund balances. The restricted fund balances total is \$350,928 and represent \$38,368 for Federal programs, \$31,209 for State programs, \$7,390 for Local programs, \$91,325 for Debt Service and \$182,636 for Capital Projects.

Assigned:

The District has set aside certain spendable fund balances in the amount of \$6,923 for Seminole Heights Elementary (formerly known as Lee Elementary) insurance dollars, and the shortage of funding for the safe schools initiative.

Unassigned:

The District has a policy that requires it to maintain a contingency fund balance in its operating fund of no less than 5 percent of the annual revenues. The District has \$100,331 in unassigned fund balance. At the end of the fiscal year the unassigned fund balance in the general fund is 5.88 percent of total general fund revenues.

The District applies resources for expenditures to restricted, then assigned and then unassigned, when expenditures are incurred which could use any of the fund balance classifications.

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13. INTERFUND RECEIVABLES AND PAYABLES

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

<u>Funds</u>	<u>Receivables</u>	<u>Payables</u>
Major Funds:		
General	\$ 65,104	\$ 2,309
Contracted Services	726	20,613
Other Debt Service	-	-
Local Capital Improvement	3,961	32,429
Other Capital Projects	273	4,331
Non-Major Governmental Funds	1,822	2,362
Internal Service Funds	551	10,393
Total	<u>\$ 72,437</u>	<u>\$ 72,437</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 30, 2019 and temporary loans to contracted services for cost reimbursement grants. The amounts in local capital improvement, other capital projects fund and non-major funds are mostly due to the movement of expenditures between capital project funds. The amount in the internal service fund is due to movement of revenue to other funds. The amounts payable are expected to be paid within a reasonable period of time.

14. INTERFUND TRANSFERS

The following is a summary of interfund transfers reported in the fund financial statements:

<u>Funds</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
General	\$ 61,157	\$ 2,805
Contracted Services	20	3,128
Other Debt Service	65,939	20
Local Capital Improvement	1,978	110,249
Other Capital Projects	-	11,843
Non-Major Governmental Funds	6,792	-
Internal Service Funds	2,552	10,393
Total	<u>\$ 138,438</u>	<u>\$ 138,438</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.

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15. STATE REVENUE SOURCES

The following is a schedule of the District's state revenue for the 2019 fiscal year:

<u>Sources</u>	<u>Amount</u>
Florida Education Finance Program	\$ 826,474
Workforce Development	26,123
Categorical Education Programs	253,934
Capital Outlay and Debt Service (motor vehicle license tax)	11,698
Food Service Supplement	1,364
Mobile Home License Tax	626
State Board of Education Bond Interest	156
Sales Tax Distribution (previously called pari-mutuel tax)	446
Discretionary Lottery Funds	756
Miscellaneous	38,699
<b>Total</b>	<b>\$ 1,160,276</b>

16. PROPERTY TAXES

The following is a summary of millages and taxes levied in the 2019 tax roll for the fiscal year 2019:

<u>General Fund</u>	<u>Millage Levied</u>	<u>Taxes Levied</u>
Non-voted School Tax:		
Required Local Effort	4.166	\$ 433,450
Discretionary Local Effort	0.748	77,825
<u>Capital Projects Funds</u>		
Non-voted Tax:		
Local Capital Improvements	1.500	156,067
<b>Total</b>	<b>6.414</b>	<b>\$ 667,342</b>

17. STATE RETIREMENT PROGRAMS

a. Summary of Significant Accounting Policies

*Pensions.* For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) and the Health Insurance Subsidy (HIS) and additions to/deductions from FRS and HIS's fiduciary net position have been determined on the same basis as they are reported by FRS and HIS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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17. STATE RETIREMENT PROGRAMS (continued)

b. General Information about the FRS Pension Plan

*Plan description.* All regular employees of the District are covered by the Florida Retirement System (FRS). The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined benefit pension plan (FRS Pension Plan), a Deferred Retirement Option Program (DROP), and a defined contribution plan, referred to as the FRS Investment Plan.

Essentially all regular employees of participating employers are eligible and must enroll as members of the FRS Pension Plan. Employees in the FRS Pension Plan vest at six years of service if enrolled in the plan prior to July 1, 2011. Enrollment after July 1, 2011 requires eight years of service to vest. All vested members are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. For enrollees prior to July 1, 2011, FRS Pension Plan benefit payments are based on the member's highest 5-year average annual salary (average final compensation) times the number of years of service. Enrollees after July 1, 2011 have benefit payments based on the member's highest 8 year average annual salary. For Regular Class members enrolled before July 1, 2011, the annual final compensation is multiplied by a percentage ranging from 1.60 percent at age 62 or with 30 years of service, to 1.68 percent at age 65 or with 33 years of service. Regular Class members enrolled after July 1, 2011 have an annual final compensation multiplied by a percentage ranging from 1.60 at age 65 or with 33 years of service to 1.68 percent at age 68 or with 36 years of service. Members are eligible for early retirement after 6 years of service, 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 FRS Pension 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.

The DROP was established effective July 1, 1998. It permits employees eligible for normal retirement under the FRS Pension Plan to defer receipt of monthly benefit payments while continuing employment with a FRS 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.

Eligible FRS members may elect to participate in the FRS Investment Plan in lieu of the FRS Pension Plan. District employees participating in DROP are not eligible to participate in the FRS Investment Plan. This plan is funded by employer contributions that are based on salary and membership class (Regular, Elected County Officers, etc.) Contributions are directed to individual member accounts, and the ultimate benefit depends in part on the performance of investment funds chosen. Employees in the FRS Investment Plan vest after one year of service.



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17. STATE RETIREMENT PROGRAMS (continued)

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

The contribution rates for the FRS Pension Plan are established by Section 121.71, Florida Statutes, and may be amended by the State of Florida. As of June 30, 2019, the contribution rates were as follows:

Class or Plan	Percent of Gross Salary	
	Employee	Employer (A)
Florida Retirement System, Regular (HA)	3.00	8.26
Florida Retirement System, County Elected Officers (HI)	3.00	48.70
Florida Retirement System, Senior Management Service Class (HM)	3.00	24.06
Florida Retirement System, Special Risk (HB)	3.00	24.50
Teachers' Retirement System, Plan E (IE)	6.25	11.90
Florida Retirement System, Reemployed Retiree (UA)	n/a	5.16
DROP	n/a	14.03

Notes: (A)  
 Employer rates include the post-retirement health insurance supplement, which remained the same from the prior year. As of July 1, 2018 the supplement was 1.66 percent.

The District's contributions to the FRS Pension Plan, net of employee contributions, for the fiscal year ended June 30, 2019, totaled \$71,543. This amount is equal to the required contributions for the fiscal year. Effective July 1, 2011, all members of FRS Pension Plan, except for DROP participants and reemployed retirees who are not eligible for renewed membership, are required to contribute 3 percent of their compensation to the FRS Pension Plan. Amounts collected by the District, and remitted to the FRS Pension Plan, for employee contributions are not considered employer contributions by the FRS Pension Plan.

c. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to FRS Pension Plan

At June 30, 2019, the District reported a liability of \$706,562 for its proportionate share of the FRS Pension Plan net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The District's proportionate share of the FRS Pension Plan's net pension liability was based on a projection of the District's long term share of contributions to the pension plan relative to the projected contributions during the fiscal year ended June 30, 2018. At June 30, 2018, the District's proportionate share was 2.36 percent, which was a decrease of 0.11 percentage-points from its proportionate share of 2.47 percent measured as of June 30, 2017.

17. STATE RETIREMENT PROGRAMS (continued)

For the year ended June 30, 2019, the District recognized pension expense of \$107,571 for the FRS Pension Plan. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions for the FRS Pension Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 59,856	\$ 2,173
Changes in assumptions	221,440	37,120
Difference between projected and actual earnings on pension plan investments	-	63,035
Changes in proportion and differences between District contributions and proportionate share of contributions	6,651	42,722
District contributions subsequent to the measurement date	71,543	-
<b>Total</b>	<b>\$ 359,490</b>	<b>\$ 145,050</b>

The deferred outflows of resources related to the FRS Pension Plan totaling \$71,543 resulting from District contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported for the FRS Pension Plan as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30	Amount Recognized
2020	\$ 79,815
2021	50,134
2022	(783)
2023	6,128
2024	4,847
Thereafter	2,756
<b>Total</b>	<b>\$ 142,897</b>

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17. STATE RETIREMENT PROGRAMS (continued)

*Actuarial assumptions.* The total pension liability for the FRS Pension Plan was determined by an actuarial valuation as of the valuation date calculated on the assumptions listed below:

Valuation date	July 1, 2018
Measurement date	June 30, 2018
Discount rate	7.00%
Long-term expected rate of return, net of investment expense	7.00%
Inflation	2.60%
Salary increase, including inflation	3.25%
Mortality	Generational RP-2000 with Projection Scale BB
Actuarial cost method	Entry Age

The long-term expected rate of return was decreased from 7.10% to 7.00% and the active member mortality assumption was updated.

The actuarial assumptions that determined the total pension liability of the FRS Pension Plan as of June 30, 2018, were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

*Long-term expected rate of return.* The long-term expected rate of return assumption of 7.00 percent consists of two building block components: 1) a real (in excess of inflation) return of 4.40 percent, consistent with the currently articulated real return target in the current Florida State Board of Administration's investment policy, developed using capital market assumptions calculated by Aon Hewitt Investment Consulting; and 2) a long-term average annual inflation assumption of 2.60 percent as adopted in October 2018 by the FRS Actuarial Assumption Conference. In the opinion of the FRS consulting actuary, Milliman, both components and the overall 7.00 percent return assumption were determined to be reasonable and appropriate per the Actuarial Standards of Practice. The 7.00 percent reported investment return assumption differs from the 7.40 percent investment return assumption chosen by the 2018 FRS Actuarial Assumption Conference for funding policy purposes, as allowable under governmental accounting and reporting standards.

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17. STATE RETIREMENT PROGRAMS (continued)

Asset Class	Target Allocation	Annual Arithmetic Rate of Return
Cash	1.00%	2.90%
Fixed Income	18.00%	4.40%
Global Equity	54.00%	7.60%
Real Estate (Property)	11.00%	6.60%
Private Equity	10.00%	10.70%
Strategic Investment	6.00%	6.00%
Total	<u>100.00%</u>	

*Discount rate.* The discount rate used to measure the total pension liability for the FRS Pension Plan was 7.00 percent and is based on a projection of cash flows that assumed that employee contributions will be made at the current contribution rate and that contributions from participating members will be made at statutorily required rates, actuarially determined. Based on those assumptions, the FRS Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.* The following presents the District's proportionate share of the net pension liability of the FRS Pension Plan calculated using the discount rate of 7.00 percent. Also presented is what the District's proportionate share of the FRS Pension Plan net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the FRS Pension Plan net pension liability	\$1,289,505	\$706,562	\$222,393

*Pension plan fiduciary net position.* Detailed information about the FRS Pension Plan's fiduciary net position is available in the separately issued FRS Comprehensive Annual Financial Report. The comprehensive annual financial report of the FRS is available by mail at: State of Florida, Division of Retirement, Department of Management Services, 1317 Winewood Boulevard, Building 8, Tallahassee, Florida 32399; by telephone toll free (844) 377-1888 or (850) 907-6500; by e-mail at [rep@dms.myflorida.com](mailto:rep@dms.myflorida.com); or at the Division's Web site (<http://www.dms.myflorida.com>).

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17. STATE RETIREMENT PROGRAMS (continued)

d. General Information about the Health Insurance Subsidy (HIS)

*HIS plan description.* The HIS Pension Plan is a cost-sharing multiple-employer defined benefit pension plan established to provide a monthly subsidy payment to retired members of any state-administered retirement system, or beneficiary entitled to receive benefits.

*HIS benefits provided.* The benefit of the HIS Pension Plan is a monthly payment to assist retirees in paying their health insurance costs. This plan is administered by the Department of Management Services within the Florida Retirement System. HIS benefits are not guaranteed and are subject to annual legislative appropriation.

For fiscal year ended June 30, 2019, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$5. The payments are a minimum of \$30 but not more than \$150 monthly per Florida Statutes 112.363.

*HIS contributions.* The HIS Pension Plan is funded by required contributions from FRS participating employers. The funds are deposited in a separate trust fund and consequently paid from that trust fund. Employer contributions are a percentage of gross compensation for all FRS members. For the fiscal year ended June 30, 2018, the contribution rate was 1.66 percent of payroll per Florida Statutes 112.363. Employees do not contribute to this plan.

The District's contributions to the HIS Pension Plan totaled \$18,398 for the fiscal year ended June 30, 2019.

e. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIS Pension Plan

At June 30, 2019, the District reported a liability of \$359,853 for its proportionate share of the HIS Pension Plan net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The District's proportionate share of the HIS Pension Plan's net pension liability was based on a projection of the District's long term share of contributions to the pension plan relative to the projected contributions during the fiscal year ended June 30, 2018. At June 30, 2018, the District's proportionate share was 3.40 percent, which was a decrease of 0.20 percentage-points from its proportionate share of 3.60 percent measured as of June 30, 2017. It is estimated that \$10,732 of the liability is current and due within one year.

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17. STATE RETIREMENT PROGRAMS (continued)

For the year ended June 30, 2019, the District recognized pension expense of \$25,794 for the HIS Pension Plan. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions for the HIS Pension Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,509	\$ 611
Changes in assumptions	40,020	38,047
Difference between projected and actual earnings on pension plan investments	217	-
Changes in proportion and differences between District contributions and proportionate share of contributions	10,156	26,919
District contributions subsequent to the measurement date	18,398	-
<b>Total</b>	<b>\$ 74,300</b>	<b>\$ 65,577</b>

The deferred outflows of resources related to the HIS Pension Plan totaling \$18,398 resulting from District contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported for the HIS Pension Plan as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30	Amount Recognized
2020	\$ 3,969
2021	3,951
2022	1,076
2023	(3,531)
2024	(9,193)
Thereafter	(5,947)
<b>Total</b>	<b>\$ (9,675)</b>

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17. STATE RETIREMENT PROGRAMS (continued)

*Actuarial assumptions.* The total pension liability for the HIS Pension Plan was determined by an actuarial valuation as of the valuation date calculated on the assumptions listed below:

Valuation date	July 1, 2018
Measurement date	June 30, 2018
Discount rate	3.87%
Inflation	2.60%
Salary increase, including inflation	3.25%
Mortality	Generational RP-2000 with Projection Scale BB
Actuarial cost method	Entry Age

The discount rate increased from 3.58 percent to 3.87 percent.

*Discount rate.* Because the HIS Pension Plan is funded on a pay-as-you-go basis, the depletion date is considered to be immediate. The single equivalent discount rate is equal to the municipal bond rate selected by the FRS Actuarial Assumption Conference (Bond Buyer General Obligation 20 year Bond Municipal Bond Index). The discount rates used in the current year differs from prior year due to changes in the applicable municipal bond index.

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.* The following presents the District's proportionate share of the net pension liability of the HIS Pension Plan calculated using the discount rate of 3.87 percent. Also presented is what the District's proportionate share of the HIS Pension Plan net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87 percent) or 1-percentage-point higher (4.87 percent) than the current rate:

	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
District's proportionate share of the HIS Pension Plan net pension liability	\$409,851	\$359,853	\$318,176

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17. STATE RETIREMENT PROGRAMS (continued)

*Pension plan fiduciary net position.* Detailed information about the HIS Pension Plan's fiduciary net position is available in the separately issued FRS Comprehensive Annual Financial Report. The comprehensive annual financial report of the FRS is available by mail at: State of Florida, Division of Retirement, Department of Management Services, 1317 Winewood Boulevard, Building 8, Tallahassee, Florida 32399; by telephone toll free (844) 377-1888 or (850) 907-6500; by e-mail at [rep@dms.myflorida.com](mailto:rep@dms.myflorida.com); or at the Division's Web site (<http://www.dms.myflorida.com>).

18. EARLY RETIREMENT PROGRAM

a. Summary of Significant Accounting Policies

*Pension.* The Early Retirement Plan (Plan) is accounted for as a pension trust fund; therefore it is accounted for in substantially the same manner as a proprietary fund with an economic resources 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 the terms of the Plan. Plan assets are valued at fair value, based on quoted market prices, for financial statement purposes.

Separate Statements are not issued for the Plan.

b. General Information about the Early Retirement Program

*Plan description.* As authorized by Section 1012.985, Florida Statutes, the Board implemented the 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 FRS, 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 District entered into an agreement with Wells Fargo 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.

*Eligibility.* A member of the Plan was 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 FRS. The Board approved to eliminate new participants to the Plan on June 30, 2008. Certain employees were eligible to enter the Plan before July 1, 2010. As of July 1, 2010, the Plan was closed to any new participants.

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

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18. EARLY RETIREMENT PROGRAM (continued)

Employees covered by benefit terms. Based on an actuarial report as of June 30, 2019, employee membership data related to the Plan was as follows:

Retirees and beneficiaries currently receiving benefits 502  
 There are no longer any active plan participants.

*Contributions.* The District's Early Retirement Program was established by the Board on August 1, 1984. On July 1, 2010, the Plan was closed to any new participants. Pursuant to the Plan Agreement, no contribution shall be required or permitted from any member. The District's annual contribution to the pension trust is determined through the budgetary process and with reference to actuarially determined contributions. The Board establishes rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate of \$1,149 is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The contribution is designed to accumulate sufficient assets to pay benefits when due. As of June 30, 2019, the actuarial study shows a net pension liability of \$12,583 in accordance with GASB 68.

Total contributions from the District to the Plan in fiscal year 2019 amounted to \$1,195.

c. Net Pension Liability

In fiscal year ending in 2019, the net pension liability decreased by \$1,655 for a liability in the amount of \$12,583.

Total pension liability	\$ 22,565
Plan fiduciary net position	<u>9,982</u>
Net pension liability	<u>\$ 12,583</u>
Plan fiduciary net position as a percentage of the total pension liability	44.24%

The Net Pension Liability of \$12,583 is recorded as a long term liability on the Statement of Net Position in the Government-wide Financial Statements.

The computation of the total pension liability for fiscal 2019 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.

*Actuarial assumptions.* Significant assumptions and other inputs used to measure the total pension liability are:

Valuation Date	July 1, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Aggregate

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18. EARLY RETIREMENT PROGRAM (continued)

Asset Valuation Method	Market Value
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Actuarial Assumptions:

Investment Rate of Return	2.75%, net of investment expense, including inflation
Projected Salary Increases	N/A
Rate of Inflation Adjustment	2.50%
Discount Rate	2.75%

Mortality rates were based on the RP-2000 Generational, 100 percent Annuitant White Collar-Female, Scale BB, 50 percent Annuitant White Collar/50 percent Annuitant Blue Collar - Male, Scale BB.

*Investments.* The District oversees the management of the Plan. The Superintendent has established procedures to ensure that idle funds are invested as authorized by Florida Statute, to earn the maximum interest. Investments are reported at fair value. The primary objectives, in priority order, in investment activities shall be safety, liquidity, and yield.

The Plan's investments at June 30, 2019, consisted of the following:

	Balance June 30, 2019	Percentage of Plan Net Position
U.S. Treasury Notes and Bonds	\$ 5,014	50.23%
U.S. Agencies	4,736	47.45%
Money Market	180	1.80%
Accrued Income	<u>52</u>	<u>0.52%</u>
Total	<u>\$ 9,982</u>	<u>100.00%</u>

*Long-term expected rate of return.* The long-term expected rate of return on pension plan investments was validated using Aon's (the District's actuary) e-tool model assuming general inflation of 2.5 percent, which is a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2019 are summarized in the following table:

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18. EARLY RETIREMENT PROGRAM (continued)

<u>Asset Class</u>	<u>Target allocation</u>	<u>Long-term Expected real rate of return</u>
Government Fixed Income	98%	0.4%
Cash	2%	0.3%

*Rate of return.* For the year ended June 30, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 2.75 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Receivables.* The Plan does not have receivables from long-term contracts with the District contribution.

*Allocated insurance contracts.* The Plan has no allocated insurance contracts that are excluded from plan assets.

*Reserves.* The Plan has no reserves that are required to be disclosed under paragraph 30e of GASB Statement No. 67, Financial Reporting for Pension Plans.

*Deferred Retirement Option Program (DROP).* The District does not offer a DROP to employees in the Early Retirement Program.

d. Total Pension Liability

The District's total pension liability for the Plan for the current fiscal year were as follows

	2019
<u>Total Pension Liability</u>	
Service cost	\$ -
Interest cost	591
Changes of benefit terms	-
Differences between expected and actual experience	(243)
Changes of assumptions	(506)
Benefit payments, including refunds of contributions	(1,837)
Net change in total pension liability	(1,995)
Total pension liability (beginning)	24,560
Total pension liability (ending)	<u>\$ 22,565</u>

*Discount rate.* The discount rate used to measure the total pension liability was 2.75 percent and is an increase from the prior year. The projection of cash flows used to determine the discount rate assumed that the District's contributions will be made at

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18. EARLY RETIREMENT PROGRAM (continued)

rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the net pension liability to changes in the discount rate.* The following presents the net pension liability of the District, calculated using the discount rate of 2.75 percent, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.75 percent) and 1-percentage point higher (3.75 percent) than the current rate.

	1% Decrease (1.75%)	Current Discount Rate (2.75%)	1% Increase (3.75%)
District's net pension liability	\$14,728	\$12,583	\$10,740

e. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Plan

At June 30, 2019, the District reported a liability of \$12,583 for the Plan net pension liability. The liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The District's net pension liability was based on a projection of the Plan relative to the projected contributions during the fiscal year ended June 30, 2019. For the year ended June 30, 2019, the District recognized a pension gain of \$199 for the Plan.

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected experience	\$ -	\$ -
Assumption changes	-	-
Net difference between expected and actual earnings on pension plan investments	249	-
Total	<u>\$ 249</u>	<u>\$ -</u>

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA  
 NOTES TO THE FINANCIAL STATEMENTS  
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18. EARLY RETIREMENT PROGRAM (continued)

Amounts recognized as deferred outflows of resources related to the Plan will be recognized in the following years in pension expense as follows:

Year Ending June 30	
2020	\$ 132
2021	96
2022	33
2023	(12)
2024	-
Total	<u>\$ 249</u>

At June 30, 2019, the following schedule details the pension amounts for all plans.

Aggregate Pension Amounts - All Plans	
Net pension liabilities	\$ 1,078,998
Deferred outflows of resources for pensions	434,039
Deferred inflows of resources for pensions	210,627
Pension expense	133,166

19. POST EMPLOYMENT HEALTH CARE BENEFITS

a. General Information about the Plan

*Plan description.* The Postemployment Health Care Benefits Plan (OPEB 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 for the OPEB Plan are not issued.

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA  
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19. POST EMPLOYMENT HEALTH CARE BENEFITS (continued)

*Employees provided.* Eligible retirees are generally covered by one of five fully insured comprehensive medical programs from Blue Cross Blue Shield with the following designs:

Plan Type	Staff HMO	Select HMO	Coverage 1 <sup>st</sup> Local	Coverage 1 <sup>st</sup> National		HDHP PPO	
Deductible	\$250	\$500	\$1,250	\$1,250	\$3,250	\$2,750	\$3,900
Coinsurance	100%	100%	100%	100%	70%	90%	60%
Copyment	\$15	\$30	\$25	\$25	\$0	\$0	\$0
Out of pocket limit	\$3,500	\$5,000	\$4,000	\$4,000	\$4,500	\$6,650	\$13,300

In addition to the plans described above, Medicare eligible retirees have the option to participate in a Medicare Advantage plan offered by Aetna. The employer has no liability for this plan because retirees pay the full cost with no cost sharing. Medicare eligible retirees coordinate benefits with Medicare on a "Coordination of Benefits" basis. That is, the OPEB Plan pays up to the amount it would pay as primary payer, except that it will not pay benefits already paid by Medicare (which is actually the primary payer) or if the retiree elects not to participate in Medicare Parts A and B, the hypothetical amount Medicare would have paid.

The chart below shows the monthly retiree cost of medical and drug:

Participants	Staff HMO	Select HMO	Coverage 1 <sup>st</sup> Local	Coverage 1 <sup>st</sup> National	HDHP PPO
Individual	\$689	\$720	\$591	\$622	\$602
Retiree plus spouse	\$1,288	\$1,345	\$1,097	\$1,153	\$1,123

Spouses of retirees or surviving spouses of retirees of the District who meet retirement criteria, and received pension benefits at termination may elect medical coverage. Retirees pay the full cost of dental and vision with no employer cost sharing in the implicit subsidy between active employees and retirees. Retirees pay the full cost with no implicit subsidy for life insurance.

*Employees covered by benefit terms.* At June 30, 2019, the following employees were covered by the benefit terms:

Retirees or dependents receiving benefits	821
Active employees or dependents receiving benefits	25,397

Healthcare plans are only available to retirees at the time of retirement. If the retiree does not elect to pay for continued coverage, their option to participate in a group plan is forfeited.

b. Total OPEB Liability

The District's total OPEB liability of \$170,575 was measured as of June 30, 2019, and was determined by an actuarial valuation as of that date.

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA  
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19. POST EMPLOYMENT HEALTH CARE BENEFITS (continued)

*Actuarial assumptions and other inputs.* The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	June 30, 2019
Measurement date	June 30, 2019
Actuarial cost method	Entry age
Inflation	2.5 percent
Salary increases	4.00 percent
Payroll growth	3.00 percent
Discount rate	3.50 percent
Healthcare cost trend rates	6.6% pre 65 and 7.0% post 65 for 2018-2019 decreasing to 4.5% for 2028 and later years
Retirees' share of benefit-Related costs	45 percent of projected health insurance premiums for retirees

Discount rates were based on Bond Buyer GO 20-Bond Municipal Bond Index.

For the healthy decrement, mortality rates were based on the Pub TH-2010 employees and healthy annuitants mortality table projected generationally using Scale MP-2018. For the disabled decrement, rates were based on the Pub NS-2010 disabled retirees mortality table projected generationally using Scale MP-2018.

c. Changes in the Total OPEB Liability

Total OPEB Liability	2019
Service cost	\$ 11,073
Interest	6,531
Differences between expected and actual experience	(17,873)
Changes in assumptions	15,722
Benefit payments	(5,074)
Net change in total OPEB liability	10,379
Total OPEB Liability (Beginning)	160,196
Total OPEB Liability (Ending)	\$ 170,575

19. POST EMPLOYMENT HEALTH CARE BENEFITS (continued)

Changes of assumptions reflect a change in the discount rate from 3.87 percent in 2018 to 3.50 percent in 2019.

*Funded Status and Funding Progress.* As of June 30, 2019, the most recent valuation date, the total OPEB Plan liability was \$170,575, and assets held in trust were \$0, resulting in a funded ratio of 0 percent. The covered payroll (annual payroll of active participating employees) was \$1,108,000 and the ratio of the total OPEB Plan liability to the covered payroll was 15.39 percent. The OPEB Plan contribution requirements of the District and OPEB Plan members are established and may be amended through recommendations of the Insurance Committee and action from the Board. The District has not advance-funded or established a funding methodology for the annual OPEB Plan expense or the total OPEB Plan liability, and the OPEB Plan is financed on a pay-as-you-go basis.

*Actuarial Assumptions and Methods.* The District selected the economic, demographic and health care claim cost assumptions and prescribed them for use for purposes of compliance with GASB 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (GASB 75). The method used to calculate the service cost and accumulated postretirement benefit obligation for determining OPEB Plan expense is the entry age normal cost methods. Under this cost method, the actuarial accrued liability is based on a prorated portion of the present value of all benefits earned to date over expected future working life time as defined by GASB. The proration is determined so that the cost with respect to service accrued from date of hire is recognized as a level percentage of pay each year. The Normal Cost is equal to the prorated cost for the year of the valuations. Benefit obligations and expense/(income) are calculated under U.S. Generally Accepted Accounting Principles as set forth in GASB 75. The total OPEB liability represents the actuarial present value of benefits based on the entry age normal cost method as of the measurement date reflecting all normal costs over the period when benefits were earned. The OPEB Plan expense is the annual amount to be recognized in the statement of activities as the cost of OPEB Plan benefits for this plan for the period ending June 30, 2019.

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current discount rate:

	1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB liability	\$191,980	\$170,575	\$152,034



SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA  
 NOTES TO THE FINANCIAL STATEMENTS  
 June 30, 2019  
 (dollar amounts expressed in thousands)

19. POST EMPLOYMENT HEALTH CARE BENEFITS (continued)

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.* The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates (6.6 percent pre 65 and 7.0 percent post 65 decreasing to 4.5 percent), 1-percentage-point higher (7.6 percent pre 65 and 8.0 percent post 65 decreasing to 5.5 percent), or 1-percentage point lower (5.6 percent pre 65 and 6.0 percent post 65 decreasing to 3.5 percent):

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$143,614	\$170,575	\$204,770

d. OPEB Plan Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the OPEB Plan

For the year ended June 30, 2019, the District recognized an OPEB Plan expense of \$15,377. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected experience	\$ -	\$ 26,869
Changes of assumption or other inputs	14,439	10,365
Total	<u>\$ 14,439</u>	<u>\$ 37,234</u>

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA  
 NOTES TO THE FINANCIAL STATEMENTS  
 June 30, 2019  
 (dollar amounts expressed in thousands)

19. POST EMPLOYMENT HEALTH CARE BENEFITS (continued)

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Year Ending June 30
2020	\$ (2,227)
2021	(2,227)
2022	(2,227)
2023	(2,227)
2024	(2,227)
Thereafter	(11,660)
Total	<u>\$ (22,795)</u>

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. The District has continued to retain \$4,000 to cover any excess claims. 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 five fiscal years.

A liability in the amount of \$22,123 was actuarially determined using a discount rate of 2.0 percent to cover reported and unreported insurance claims payable at June 30, 2019. It is estimated that \$8,050 of the liability is current and due within one year. The remaining \$14,073 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
2017 – 2018	\$ 24,448	\$ 6,051	\$ (7,012)	\$ 23,487
2018—2019	23,487	6,052	(7,416)	22,123

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA  
 NOTES TO THE FINANCIAL STATEMENTS  
 June 30, 2019  
 (dollar amounts expressed in thousands)

20. RISK MANAGEMENT (continued)

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

21. COMMITMENTS AND CONTINGENCIES

Construction Contract Commitments

The following is a summary of major construction contract commitments remaining at June 30, 2019:

DETAIL LISTING OF CONSTRUCTION IN PROGRESS

Description	Project Authorization	Expended as of June 30, 2019	Committed
Elementary	\$ 21,956	\$ 978	\$ 20,978
Middle	26,704	1,591	25,113
Senior High	74,750	24,813	49,937
Major Renovation	100,139	40,849	59,290
Total	<u>\$ 223,549</u>	<u>\$ 68,231</u>	<u>\$ 155,318</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.

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA  
 SCHEDULE OF EMPLOYER CONTRIBUTIONS  
 SUPPLEMENTAL FLORIDA RETIREMENT SYSTEM PENSION INFORMATION  
 LAST 10 FISCAL YEARS\*  
 (dollar amounts expressed in thousands)  
 (UNAUDITED)

	2015	2016	2017	2018	2019
Contractually required contribution	\$ 58,610	\$ 67,371	\$ 61,990	\$ 64,502	\$ 67,274
Contributions in relation to the contractually required contribution	<u>\$ (58,610)</u>	<u>\$ (67,371)</u>	<u>\$ (61,990)</u>	<u>\$ (64,502)</u>	<u>\$ (67,274)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 930,149	\$ 985,387	\$ 988,184	\$ 985,656	\$ 946,041
Contributions as a percentage of covered-employee payroll	6.30%	6.84%	6.27%	6.54%	7.11%

\*The amounts presented for each fiscal year were determined as of 6/30

Note: Schedule is intended to show information for 10 years.  
 Additional years will be displayed as they become available.

See accompanying notes to required supplementary information.

Unaudited - see accompanying independent auditor's report

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA  
 SCHEDULE OF EMPLOYER PROPORTIONATE SHARE OF NET PENSION LIABILITY  
 SUPPLEMENTAL FLORIDA RETIREMENT SYSTEM PENSION INFORMATION  
 LAST 10 FISCAL YEARS\*  
 (dollar amounts expressed in thousands)  
 (UNAUDITED)

	2015	2016	2017	2018	2019
Proportion of the net pension liability	2.68%	2.76%	2.54%	2.47%	2.36%
District's proportionate share of the net pension liability	\$ 163,260	\$ 356,916	\$ 964,676	\$ 729,291	\$ 706,562
District's covered payroll	\$ 930,149	\$ 985,387	\$ 988,184	\$ 985,656	\$ 946,041
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	17.55%	36.22%	97.62%	73.99%	74.69%
Plan fiduciary net position as a percentage of the total pension liability	96.09%	92.00%	84.88%	83.89%	84.26%

\*The amounts presented for each fiscal year were determined as of 6/30

Note: Schedule is intended to show information for 10 years.  
 Additional years will be displayed as they become available.

See accompanying notes to required supplementary information.

Unaudited - see accompanying independent auditor's report

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA  
 SCHEDULE OF EMPLOYER CONTRIBUTIONS  
 SUPPLEMENTAL HEALTH INSURANCE SUBSIDY PROGRAM INFORMATION  
 LAST 10 FISCAL YEARS\*  
 (dollar amounts expressed in thousands)  
 (UNAUDITED)

	2015	2016	2017	2018	2019
Contractually required contribution	\$ 12,270	\$ 14,294	\$ 19,006	\$ 19,067	\$ 18,429
Contributions in relation to the contractually required contribution	\$ (12,270)	\$ (14,294)	\$ (19,006)	\$ (19,067)	\$ (18,429)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 1,064,283	\$ 1,134,992	\$ 1,145,024	\$ 1,149,179	\$ 1,110,759
Contributions as a percentage of covered-employee payroll	1.15%	1.26%	1.66%	1.66%	1.66%

\*The amounts presented for each fiscal year were determined as of 6/30

Note: Schedule is intended to show information for 10 years.  
 Additional years will be displayed as they become available.

See accompanying notes to required supplementary information.

Unaudited - see accompanying independent auditor's report

**SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA  
SCHEDULE OF EMPLOYER PROPORTIONATE SHARE OF NET PENSION LIABILITY  
SUPPLEMENTAL HEALTH INSURANCE SUBSIDY PROGRAM INFORMATION  
LAST 10 FISCAL YEARS\***  
(dollar amounts expressed in thousands)  
(UNAUDITED)

	2015	2016	2017	2018	2019
Proportion of the net pension liability	3.58%	3.74%	3.71%	3.60%	3.40%
District's proportionate share of the net pension liability	\$ 334,898	\$ 381,345	\$ 432,150	\$ 385,423	\$ 359,853
District's covered payroll	\$ 1,064,283	\$ 1,134,992	\$ 1,145,024	\$ 1,149,179	\$ 1,110,759
Districts proportionate share of the net pension liability as a percentage of its covered-employee payroll	31.47%	33.60%	37.74%	33.54%	32.40%
Plan fiduciary net position as a percentage of the total pension liability	0.99%	0.50%	0.97%	1.64%	2.15%

\*The amounts presented for each fiscal year were determined as of 6/30

Note: Schedule is intended to show information for 10 years.  
Additional years will be displayed as they become available.

See accompanying notes to required supplementary information.

Unaudited - see accompanying independent auditor's report

**SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
EARLY RETIREMENT PENSION TRUST**  
(dollar amounts expressed in thousands)  
(UNAUDITED)

Fiscal Year Ended June 30,	Actuarially Determined Contribution	Annual Actual Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contribution as a Percentage of Covered Payroll
2008	\$ 3,690	\$ 3,756	\$ (66)	\$ 40,602	9.25%
2009	2,063	1,802	261	31,812	5.66%
2010	2,252	2,451	(199)	22,677	10.81%
2011	1,317	1,764	(447)	N/A	N/A
2012	1,342	880	462	N/A	N/A
2013	1,382	1,383	(1)	N/A	N/A
2014	1,403	1,401	2	N/A	N/A
2015	1,095	1,411	(316)	N/A	N/A
2016	1,054	1,115	(61)	N/A	N/A
2017	1,147	1,185	(38)	N/A	N/A
2018	1,150	1,170	(20)	N/A	N/A
2019	1,170	1,195	(25)	N/A	N/A

See accompanying notes to required supplementary information.

Unaudited – see accompanying independent auditors' report.

**SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA  
SCHEDULE OF NET PENSION LIABILITY  
EARLY RETIREMENT PENSION TRUST  
(dollar amounts expressed in thousands)  
(UNAUDITED)**

FISCAL YEAR ENDED JUNE 30	Total Pension Liability	Plan Fiduciary Net Position	District's Net Pension Liability (Asset)	Plan Fiduciary Net Position As a Percentage Of The Total Pension Liability	Covered Payroll	District's Net Pension Liability (Asset) as a Percentage Of Covered Payroll
2014	\$ 26,619	\$ 13,002	\$ 12,455	48.84%	N/A	N/A
2015	26,452	12,459	13,993	47.10%	N/A	N/A
2016	27,141	11,833	15,308	43.60%	N/A	N/A
2017	25,785	11,034	14,751	42.79%	N/A	N/A
2018	24,560	10,322	14,238	42.03%	N/A	N/A
2019	22,565	9,982	12,583	44.24%	N/A	N/A

**SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
EARLY RETIREMENT PENSION TRUST  
LAST 10 FISCAL YEARS  
(dollar amounts expressed in thousands)  
(UNAUDITED)**

	2014	2015	2016	2017	2018	2019
<b>Total pension liability</b>						
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	958	855	891	654	621	591
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	(97)	(9)	(89)	(78)	45	(243)
Changes of assumptions	-	2,180	1,846	-	-	(506)
Benefit payments, including refunds of member contributions	(2,023)	(2,031)	(1,959)	(1,932)	(1,892)	(1,837)
<b>Net change in total pension liability</b>	(1,162)	995	689	(1,356)	(1,226)	(1,995)
<b>Total pension liability - beginning</b>	26,619	25,457	26,452	27,141	25,786	24,560
<b>Total pension liability - ending (a)</b>	<u>\$ 25,457</u>	<u>\$ 26,452</u>	<u>\$ 27,141</u>	<u>\$ 25,785</u>	<u>\$ 24,560</u>	<u>\$ 22,565</u>
<b>Plan fiduciary net position</b>						
Contributions - employer	\$ 1,356	\$ 1,411	\$ 1,115	\$ 1,185	\$ 1,170	\$ 1,195
Contributions - member	-	-	-	-	-	-
Net investment income	80	122	260	(11)	21	340
Benefit payment, including refunds of member contributions	(2,023)	(2,031)	(1,959)	(1,932)	(1,892)	(1,838)
Administrative expense	(13)	(45)	(42)	(41)	(11)	(37)
Other	-	-	-	-	-	-
<b>Net change in plan fiduciary net position</b>	(600)	(543)	(626)	(799)	(712)	(340)
<b>Plan fiduciary net position - beginning</b>	13,602	13,002	12,459	11,833	11,034	10,322
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 13,002</u>	<u>\$ 12,459</u>	<u>\$ 11,833</u>	<u>\$ 11,034</u>	<u>\$ 10,322</u>	<u>\$ 9,982</u>
<b>Net pension liability (asset) - ending (a)-(b)</b>	<u>\$ 12,455</u>	<u>\$ 13,993</u>	<u>\$ 15,308</u>	<u>\$ 14,751</u>	<u>\$ 14,238</u>	<u>\$ 12,583</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	51.07%	47.10%	43.60%	42.79%	42.03%	44.24%
<b>Covered payroll</b>	N/A	N/A	N/A	N/A	N/A	N/A
<b>District's net pension liability as a percentage of covered payroll</b>	N/A	N/A	N/A	N/A	N/A	N/A

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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Note: Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

See accompanying notes to required supplementary information.

Unaudited – see accompanying independent auditors' report.

**SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA  
SCHEDULE OF INVESTMENT RETURNS  
EARLY RETIREMENT PENSION TRUST  
LAST 10 FISCAL YEARS  
(UNAUDITED)**

Fiscal Year Ended June 30,	Money Weighted Rate of Investment Return
2014	3.50%
2015	3.50%
2016	2.50%
2017	2.50%
2018	2.50%
2019	2.75%

Note: Schedule is intended to show information for 10 years.  
Additional years will be displayed as they become available.

See accompanying notes to required supplementary information.

Unaudited - see accompanying independent auditors' report

**SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA  
SCHEDULE OF CHANGES IN TOTAL LIABILITY AND RELATED RATIOS  
OTHER POST EMPLOYMENT BENEFITS  
LAST 10 FISCAL YEARS  
(dollar amounts expressed in thousands)  
(UNAUDITED)**

	2018	2019
<b>Total OPEB liability</b>		
Service cost	\$ 11,940	\$ 11,073
Interest	6,477	6,531
Changes of benefit terms	-	-
Differences between expected and actual experience	(12,514)	(17,873)
Changes of assumptions	(12,407)	15,722
Benefit payments	(4,508)	(5,074)
<b>Net change in total OPEB liability</b>	(11,012)	10,379
<b>Total OPEB liability - beginning</b>	171,208	160,196
<b>Total OPEB liability - ending</b>	<u>\$ 160,196</u>	<u>\$ 170,575</u>
<b>Covered employee payroll</b>	\$ 1,110,759	\$ 1,108,182
<b>Total OPEB liability as a percentage of covered employee payroll</b>	14.42%	15.39%

Changes in assumptions and other inputs include the change in the discount rate from 3.87 percent as of the beginning of the measurement period to 3.50 percent as of the end of the measurement period. This change is reflected in the Schedule of Changes in Total OPEB Plan Liability

There are no assets accumulated in a trust to pay related benefits.

Note: Schedule is intended to show information for 10 years.  
Additional years will be displayed as they become available.

See accompanying notes to required supplementary information.

Unaudited - see accompanying independent auditors' report

**SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA  
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR  
 FLORIDA RETIREMENT SYSTEM PENSION AND HEALTH INSURANCE SUBSIDY  
 PROGRAM  
 June 30, 2019  
 (UNAUDITED)**

The following are relevant to the Florida Retirement System (FRS) and Health Insurance Subsidy (HIS) Program:

- 1) Actuarial assumptions for defined benefit plans are reviewed annually by the Florida Retirement System. The FRS Pension Plan has a valuation performed annually, whereas the HIS Program has a valuation performed biennially which was updated for GASB reporting in the year a valuation was not performed. The most recent experience study for the pension plan was completed in 2014 for the period July 1, 2008 through June 30, 2013.

- 2) Method and assumptions used in calculation of actuarially determined contribution:

FRS Pension Plan

Valuation Date	July 1, 2018
Actuarial Cost Method	Entry Age

Actuarial Assumptions:	
Discount Rate	7.00%
Investment Rate of Return	7.40%
Projected Salary Increases	3.25%
Rate of Inflation Adjustment	2.60%

Mortality assumption:  
 Generational RP-2000 with Projection Scale BB Tables

HIS Program

Valuation Date	July 1, 2018
Actuarial Cost Method	Entry Age

Actuarial Assumptions:	
Discount Rate	3.87%
Investment Rate of Return	N/A
Projected Salary Increases	3.25%
Rate of Inflation Adjustment	2.60%

Mortality assumption:  
 Generational RP-2000 with Projection Scale BB Tables

**SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA  
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR  
 EARLY RETIREMENT PENSION TRUST AND POST EMPLOYMENT HEALTH CARE  
 BENEFITS PLAN  
 June 30, 2019  
 (UNAUDITED)**

The following are relevant to the early retirement pension plan:

- 1) Change in plan eligibility  
 As of July 1, 2010, the Early Retirement Pension Plan was closed to any new participants.

- 2) The discount rate assumptions were changed from 2.50% to 2.75%.

Method and assumptions used in determination of the pension liability:

Actuarial cost method	Aggregate
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Actuarial assumptions:	
Valuation Date	July 1, 2018
Asset Valuation Method	Market Value
Investment Rate of Return	2.75%
Projected Salary Increases	N/A
Rate of Inflation Adjustment	2.5%

Mortality Assumption:  
 Generational RP2000, 100 percent Annuitant White Collar – Female, Scale BB 50 percent Annuitant White Collar/50 percent Annuitant Blue Collar – Male, Scale BB.

The following is relevant to the post employment health care benefits:

Changes in assumptions and other inputs include the change in the discount rate from 3.87 percent as of the beginning of the measurement period to 3.50 percent as of the end of the measurement period. This change is reflected in the Schedule of Changes in Total OPEB Plan Liability.

There are no assets accumulated in a trust to pay related benefits.

- 1) Actuarial assumptions:
  - (a). Entry age actuarial cost method
  - (b). Inflation – 2.5%
  - (c). Salary scale - 4.0%
  - (d). Discount Rate – 3.50%
  - (e). Healthcare cost trend rate is 6.6% for pre-65 and 7.0% for post-65 participants, both decreasing to 4.5%.
  - (f). Payroll growth – 3%
  - (g). Retirees' share of benefit-related costs - 45 % of projected health insurance premiums for retirees

- 2) Mortality Assumption:  
 Mortality rates were based on the employees and healthy annuitant projected generationally using scale MP-2018. Disabled retirees were projected using scale MP-2018.



**Hillsborough County**  
PUBLIC SCHOOLS  
Preparing Students for Life

**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

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## Nonmajor Governmental Funds

### Special Revenue Fund

The Food Services Fund accounts for the operations of student nutrition services.

- **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 Fund** – Accounts for and reports on payments of principal, interest and related costs on various bond issues serviced by the State.
- **Special Act Bond Fund** - 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 & Debt Service Fund** - Accounts for and reports on funds received from the State Board of Education Capital Outlay Bonds.
  - **Public Education Capital Outlay Fund** – Accounts for and reports on funds received from the State Board of Education Public Education Capital Outlay.
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**THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(amounts expressed in thousands)**

	Capital Project Funds			Total Nonmajor Governmental Funds
	Capital Outlay and Debt Service	Public Education Capital Outlay	Total	
<b>ASSETS</b>				
Cash	\$ 5,006	\$ -	\$ 5,006	\$ 28,632
Investments	7,615	-	7,615	24,013
Accounts receivable	-	-	-	316
Due from other governmental agencies	143	3,937	4,080	5,551
Due from other funds	-	-	-	1,822
Inventories	-	-	-	615
Total assets	<u>12,764</u>	<u>3,937</u>	<u>16,701</u>	<u>60,949</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	-	575	575	1,478
Salaries and wages payable	-	-	-	-
Due to other funds	-	1,196	1,196	2,362
Due to other agencies	-	-	-	-
Advanced revenue	-	-	-	1,753
Total liabilities	<u>-</u>	<u>1,771</u>	<u>1,771</u>	<u>5,593</u>
Fund balances				
Nonspendable	-	-	-	615
Restricted for:				
Federal programs	-	-	-	38,368
Debt service	-	-	-	1,443
Capital projects	12,764	2,166	14,930	14,930
Total fund balances	<u>12,764</u>	<u>2,166</u>	<u>14,930</u>	<u>55,356</u>
Total liabilities and fund balances	<u>\$ 12,764</u>	<u>\$ 3,937</u>	<u>\$ 16,701</u>	<u>\$ 60,949</u>

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See accompanying independent auditors' report.

**THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(amounts expressed in thousands)**

	Special Revenue Fund	
	Food Services	Total
<b>REVENUES</b>		
Local sources:		
Food services	\$ 21,732	\$ 21,732
Interest income	536	536
Other	546	546
Total local sources	22,814	22,814
State sources:		
Food services	1,364	1,364
Other	-	-
Total state sources	1,364	1,364
Federal sources:		
Food services	98,523	98,523
Total federal sources	98,523	98,523
Total revenues	122,701	122,701
<b>EXPENDITURES</b>		
Current:		
Facilities acquisition and construction	-	-
Instruction, general administration, and other	-	-
Food services	116,543	116,543
Community services and other	-	-
Debt Service:		
Principal retirement	-	-
Interest	-	-
Dues, fees and other	-	-
Capital outlay:		
Facilities acquisition and construction	-	-
Other capital outlay	881	881
Total expenditures	117,424	117,424
Excess (deficiency) of revenues over (under) expenditures	5,277	5,277
<b>OTHER FINANCING SOURCES (USES):</b>		
Refunding bonds issued	-	-
Premium on sale of refunding bonds	-	-
Payments to refunded bond escrow agent	-	-
Transfers in	6,792	6,792
Total other financing sources and uses	6,792	6,792
Net change in fund balances	12,069	12,069
Fund balances - beginning	26,914	26,914
Fund balances - ending	\$ 38,983	\$ 38,983

See accompanying independent auditors' report.

Debt Service Funds		
State Board of Education Bond	Special Act Bond	Total
\$ -	\$ -	\$ -
-	24	24
-	-	-
-	24	24
-	-	-
2,457	446	2,903
2,457	446	2,903
-	-	-
-	-	-
2,457	470	2,927
-	-	-
-	-	-
-	-	-
1,975	270	2,245
558	162	720
5	-	5
-	-	-
-	-	-
2,538	432	2,970
(81)	38	(43)
392	-	392
62	-	62
(450)	-	(450)
-	-	-
4	-	4
(77)	38	(39)
314	1,168	1,482
\$ 237	\$ 1,206	\$ 1,443

(continued)

**THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(amounts expressed in thousands)**

	Capital Project Funds			Total Nonmajor Governmental Funds
	Capital Outlay and Debt Service	Public Education Capital Outlay	Total	
<b>REVENUES</b>				
Local sources:				
Food services	\$ -	\$ -	\$ -	\$ 21,732
Interest income	177	3	180	740
Other	-	2	2	548
Total local sources	177	5	182	23,020
State sources:				
Food services	-	-	-	1,364
Other	5,727	3,548	9,275	12,178
Total state sources	5,727	3,548	9,275	13,542
Federal sources:				
Food services	-	-	-	98,523
Total federal sources	-	-	-	98,523
Total revenues	5,904	3,553	9,457	135,085
<b>EXPENDITURES:</b>				
Current:				
Facilities acquisition and construction	-	1,799	1,799	1,799
Instruction, general administration, and other	-	-	-	-
Food services	-	-	-	116,543
Community services and other	-	-	-	-
Debt Service:				
Principal retirement	-	-	-	2,245
Interest	-	-	-	720
Dues, fees and other	8	-	8	13
Capital outlay:				
Facilities acquisition and construction	60	2,256	2,316	2,316
Other capital outlay	-	-	-	881
Total expenditures	68	4,055	4,123	124,517
Excess (deficiency) of revenues over (under) expenditures	5,836	(502)	5,334	10,568
<b>OTHER FINANCING SOURCES (USES):</b>				
Refunding bonds issued	-	-	-	392
Premium on sale of refunding bonds	-	-	-	62
Payments to refunded bond escrow agent	-	-	-	(450)
Transfers in	-	-	-	6,792
Total other financing sources and uses	-	-	-	6,796
Net change in fund balances	5,836	(502)	5,334	17,364
Fund balances - beginning	6,928	2,668	9,596	37,992
Fund balances - ending	\$ 12,764	\$ 2,166	\$ 14,930	\$ 55,356

See accompanying independent auditors' report.



**THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(amounts expressed in thousands)**

	<b>Food Services Fund</b>			<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual</b>	
	<b>Original</b>	<b>Final</b>		
<b>REVENUES:</b>				
Local sources:				
Food services	\$ 21,590	\$ 22,247	\$ 21,732	\$ (515)
Interest income	115	536	536	-
Other	1,265	551	546	(5)
Total local sources	<u>22,970</u>	<u>23,334</u>	<u>22,814</u>	<u>(520)</u>
State sources:				
Food services	1,430	1,364	1,364	-
Other	-	-	-	-
Total state sources	<u>1,430</u>	<u>1,364</u>	<u>1,364</u>	<u>-</u>
Federal sources:				
Food services	93,536	98,523	98,523	-
Total federal sources	<u>93,536</u>	<u>98,523</u>	<u>98,523</u>	<u>-</u>
Total revenues	<u>117,936</u>	<u>123,221</u>	<u>122,701</u>	<u>(520)</u>
<b>EXPENDITURES:</b>				
Current:				
Food services	120,654	156,048	116,543	39,505
Other capital outlay	881	881	881	-
Total expenditures	<u>121,535</u>	<u>156,929</u>	<u>117,424</u>	<u>39,505</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,599)</u>	<u>(33,708)</u>	<u>5,277</u>	<u>38,985</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	6,792	6,792	-
Total other financing sources and uses	<u>-</u>	<u>6,792</u>	<u>6,792</u>	<u>-</u>
Net change in fund balance	<u>(3,599)</u>	<u>(26,916)</u>	<u>12,069</u>	<u>38,985</u>
Fund balance - beginning	<u>26,914</u>	<u>26,914</u>	<u>26,914</u>	<u>-</u>
Fund balance - ending	<u>\$ 23,315</u>	<u>\$ (2)</u>	<u>\$ 38,983</u>	<u>\$ 38,985</u>

See accompanying independent auditors' report.

**THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**DEBT SERVICE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**  
(amounts expressed in thousands)

	State Board of Education Bond Funds			
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Local sources:				
Local sales tax	\$ -	\$ -	\$ -	\$ -
Interest income	-	-	-	-
Other	-	-	-	-
Total local sources	-	-	-	-
State sources:				
Capital Outlay and debt service withheld for SBE/COBI bonds	2,527	2,527	2,457	(70)
SBE/COBI bond interest	10	10	-	(10)
Racing commission funds	-	-	-	-
Total state sources	2,537	2,537	2,457	(80)
Total revenues	2,537	2,537	2,457	(80)
<b>EXPENDITURES:</b>				
Principal retirement	1,975	1,975	1,975	-
Interest	558	558	558	-
Dues, fees and other	4	4	5	(1)
Total expenditures	2,537	2,537	2,538	(1)
Excess (deficiency) of revenues over (under) expenditures	-	-	(81)	(81)
<b>OTHER FINANCING SOURCES (USES):</b>				
Refunding bonds issued	-	392	392	-
Premium on sale of refunding bonds	-	62	62	-
Refunding certificates of participation	-	-	-	-
Premium on sale of certificates of participation	-	-	-	-
Payments to refunded bond escrow agent	-	(450)	(450)	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources and uses	-	4	4	-
Net change in fund balances	-	4	(77)	(81)
Fund balances - beginning	314	314	314	-
Fund balances - ending	\$ 314	\$ 318	\$ 237	\$ (81)

	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		
	\$ -	\$ -	\$ -	\$ -	\$ 20,776	\$ 20,789	\$ 20,776	\$ (13)
	12	24	24	-	831,500	1,232	1,201	(31)
	-	-	-	-	-	-	-	-
	12	24	24	-	852,276	22,021	21,977	(44)
	-	-	-	-	-	-	-	-
	446	446	446	-	-	-	-	-
	446	446	446	-	-	-	-	-
	458	470	470	-	852,276	22,021	21,977	(44)
	270	270	270	-	50,825	50,825	50,825	-
	163	163	162	1	32,300	31,848	31,832	16
	850	850	-	850	63	550	536	14
	1,283	1,283	432	851	83,188	83,223	83,193	30
	(825)	(813)	38	851	769,088	(61,202)	(61,216)	(14)
	-	-	-	-	-	-	-	-
	-	-	-	-	-	9,472	9,472	-
	-	-	-	-	-	64,995	64,995	-
	-	-	-	-	-	(74,043)	(74,043)	-
	-	-	-	-	64,861	66,033	-	(66,033)
	-	-	-	-	-	(20)	-	20
	-	-	-	-	64,861	66,437	424	(66,013)
	(825)	(813)	38	851	833,949	5,235	(60,792)	(66,027)
	1,169	1,169	1,168	(1)	84,755	84,755	(20)	(66,027)
	\$ 344	\$ 356	\$ 1,206	\$ 850	\$ 918,704	\$ 89,990	\$ -	\$ (132,054)

(Continued)

See accompanying independent auditor's report.

**THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
DEBT SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(amounts expressed in thousands)**

	Totals			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES:</b>				
Local sources:				
Local sales tax	\$ 20,776	\$ 20,789	\$ 20,776	\$ (13)
Interest income	831,512	1,256	1,225	(31)
Other	-	-	-	-
Total local sources	<u>852,288</u>	<u>22,045</u>	<u>22,001</u>	<u>(44)</u>
State sources:				
Capital Outlay and debt service withheld for SBE/COBI bonds	2,527	2,527	2,457	(70)
SBE/COBI bond interest	10	10	-	(10)
Racing commission funds	446	446	446	-
Total state sources	<u>2,983</u>	<u>2,983</u>	<u>2,903</u>	<u>(80)</u>
Total revenues	<u>855,271</u>	<u>25,028</u>	<u>24,904</u>	<u>(124)</u>
<b>EXPENDITURES:</b>				
Principal retirement	53,070	53,070	53,070	-
Interest	33,021	32,569	32,552	17
Dues, fees and other	917	1,404	541	863
Total expenditures	<u>87,008</u>	<u>87,043</u>	<u>86,163</u>	<u>880</u>
Excess (deficiency) of revenues over (under) expenditures	<u>768,263</u>	<u>(62,015)</u>	<u>(61,259)</u>	<u>756</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Refunding bonds issued	-	392	392	-
Premium on sale of refunding bonds	-	9,534	9,534	-
Refunding certificates of participation	-	-	-	-
Premium on sale of certificates of participation	-	64,995	64,995	-
Payments to refunded bond escrow agent	-	(74,493)	(74,493)	-
Transfers in	64,861	66,033	-	(66,033)
Transfers out	-	(20)	-	20
Total other financing sources and uses	<u>64,861</u>	<u>66,441</u>	<u>428</u>	<u>(66,013)</u>
Net change in fund balances	<u>833,124</u>	<u>4,426</u>	<u>(60,831)</u>	<u>(65,257)</u>
Fund balances - beginning	<u>86,238</u>	<u>86,238</u>	<u>1,462</u>	<u>(66,028)</u>
Fund balances - ending	<u>\$ 919,362</u>	<u>\$ 90,664</u>	<u>\$ (59,369)</u>	<u>\$ (131,285)</u>

See accompanying independent auditors' report.





**THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
CAPITAL PROJECTS FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(amounts expressed in thousands)**

	Capital Outlay and Debt Service Funds			
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Local sources:				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Local sales tax	-	-	-	-
Interest income	65	177	177	-
Other	-	-	-	-
Total local sources	65	177	177	-
State sources:				
Capital outlay distributed to district	1,875	5,576	-	(5,576)
Interest on undistributed CO & DS	99	151	-	(151)
Other	-	-	5,727	5,727
Total state sources	1,974	5,727	5,727	-
Total revenues	2,039	5,904	5,904	-
<b>EXPENDITURES:</b>				
Current				
Facilities acquisition and construction	6,515	12,771	-	12,771
Charter school local capital improvement	-	-	-	-
Debt Service				
Dues, fees and other	-	-	8	(8)
Capital outlay				
Facilities acquisition and construction	60	60	60	-
Total expenditures	6,575	12,831	68	12,763
Excess (deficiency) of revenues over (under) expenditures	(4,536)	(6,927)	5,836	12,763
<b>OTHER FINANCING SOURCES (USES):</b>				
Long term bonds issued	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources and uses	-	-	-	-
Net change in fund balances	(4,536)	(6,927)	5,836	12,763
Fund balances - beginning	6,928	6,928	6,928	-
Fund balances - ending	\$ 2,392	\$ 1	\$ 12,764	\$ 12,763

	Local Capital Improvement Funds			
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
	\$ 149,776	\$ 150,461	\$ 149,921	\$ (540)
	-	-	-	-
	700	1,609	1,609	-
	-	-	541	541
	150,476	152,070	152,071	1
	83,736	42,596	27,607	14,989
	-	-	-	-
	-	-	-	-
	12,251	12,251	12,251	-
	95,987	54,847	39,858	14,989
	54,489	97,223	112,213	14,990
	(64,861)	(110,248)	(110,249)	(1)
	(64,861)	(108,270)	(108,271)	(1)
	(10,372)	(11,047)	3,942	14,989
	11,047	11,047	11,047	-
	\$ 675	\$ -	\$ 14,989	\$ 14,989

(Continued)

See accompanying independent auditors' report.

**THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
CAPITAL PROJECTS FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(amounts expressed in thousands)**

	Other Capital Projects Funds			
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Local sources:				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Local sales tax	10,224	12,511	62,624	50,113
Interest income	623	2,691	2,691	-
Other	32,183	104,562	54,254	(50,308)
Total local sources	43,030	119,764	119,569	(195)
State sources:				
Capital outlay distributed to district	-	-	-	-
Interest on undistributed CO & DS	-	-	-	-
Other	9,255	20,858	15,045	(5,813)
Total state sources	9,255	20,858	15,045	(5,813)
Total revenues	52,285	140,622	134,614	(6,008)
<b>EXPENDITURES:</b>				
Current				
Facilities acquisition and construction	62,049	184,070	22,784	161,286
Charter school local capital improvement	-	-	61	(61)
Debt Service				
Dues, fees and other	-	-	-	-
Capital outlay				
Facilities acquisition and construction	83,336	83,336	83,336	-
Total expenditures	145,385	267,406	106,181	161,225
Excess (deficiency) of revenues over (under) expenditures	(93,100)	(126,784)	28,433	155,217
<b>OTHER FINANCING SOURCES (USES):</b>				
Long term bonds issued	-	-	-	-
Transfers in	-	2,499	-	(2,499)
Transfers out	(25,000)	(11,842)	(11,843)	(1)
Total other financing sources and uses	(25,000)	(9,343)	(11,843)	(2,500)
Net change in fund balances	(118,100)	(136,127)	16,590	152,717
Fund balances - beginning	136,127	136,127	136,127	-
Fund balances - ending	\$ 18,027	\$ -	\$ 152,717	\$ 152,717

See accompanying independent auditors' report.

	Public Education Capital Outlay (PECO)			
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
	\$ -	\$ -	\$ -	\$ -
	-	-	-	-
	1	3	3	-
	32,183	104,562	54,254	(50,308)
	43,030	119,764	119,569	(195)
	-	-	-	-
	-	-	-	-
	9,255	20,858	15,045	(5,813)
	9,255	20,858	15,045	(5,813)
	52,285	140,622	134,614	(6,008)
	3,069	3,965	1,799	2,166
	-	-	-	-
	-	-	-	-
	83,336	83,336	83,336	-
	145,385	267,406	106,181	161,225
	(93,100)	(126,784)	28,433	155,217
	-	-	-	-
	-	2,499	-	(2,499)
	(25,000)	(11,842)	(11,843)	(1)
	(25,000)	(9,343)	(11,843)	(2,500)
	(118,100)	(136,127)	16,590	152,717
	136,127	136,127	136,127	-
	\$ 18,027	\$ -	\$ 152,717	\$ 152,717

(Continued)

**THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
CAPITAL PROJECTS FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(amounts expressed in thousands)**

	Totals			
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Local sources:				
Ad valorem taxes	\$ 149,776	\$ 150,461	\$ 149,921	\$ (540)
Local sales tax	10,224	12,511	62,624	50,113
Interest income	1,389	4,480	4,480	-
Other	32,183	104,562	54,797	(49,765)
Total local sources	<u>193,572</u>	<u>272,014</u>	<u>271,822</u>	<u>(192)</u>
State sources:				
Capital outlay distributed to district	5,423	9,124	-	(9,124)
Interest on undistributed CO & DS	99	151	-	(151)
Other	9,255	20,860	24,320	3,460
Total state sources	<u>14,777</u>	<u>30,135</u>	<u>24,320</u>	<u>(5,815)</u>
Total revenues	<u>208,349</u>	<u>302,149</u>	<u>296,142</u>	<u>(6,007)</u>
<b>EXPENDITURES:</b>				
Current				
Facilities acquisition and construction	155,369	243,402	52,190	191,212
Charter school local capital improvement	-	-	61	(61)
Debt Service				
Dues, fees and other	-	-	8	(8)
Capital outlay				
Facilities acquisition and construction	97,903	97,903	97,903	-
Total expenditures	<u>253,272</u>	<u>341,305</u>	<u>150,162</u>	<u>191,143</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(44,923)</u>	<u>(39,156)</u>	<u>145,980</u>	<u>185,136</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Long term bonds issued	-	-	-	-
Transfers in	-	4,477	1,978	(2,499)
Transfers out	(89,861)	(122,090)	(122,092)	(2)
Total other financing sources and uses	<u>(89,861)</u>	<u>(117,613)</u>	<u>(120,114)</u>	<u>(2,501)</u>
Net change in fund balances	<u>(134,784)</u>	<u>(156,769)</u>	<u>25,866</u>	<u>182,635</u>
Fund balances - beginning	<u>156,770</u>	<u>156,770</u>	<u>156,770</u>	<u>-</u>
Fund balances - ending	<u>\$ 21,986</u>	<u>\$ 1</u>	<u>\$ 182,636</u>	<u>\$ 182,635</u>

See accompanying independent auditors' report.

**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 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**

**COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(amounts expressed in thousands)**

	Workers' Compensation	Liability Self Insurance	Group Health Insurance	Totals
<b>ASSETS</b>				
Current assets:				
Cash	\$ 10,682	\$ -	\$ -	\$ 10,682
Investments	16,339	5,642	29,375	51,356
Accounts receivable	82	3	177	262
Due from other governmental agencies	-	-	474	474
Due from other funds	-	551	-	551
Total assets	<u>27,103</u>	<u>6,196</u>	<u>30,026</u>	<u>63,325</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	2	-	15,169	15,171
Due to other funds	10,393	-	-	10,393
Advanced revenue	-	-	14,857	14,857
Estimated liability for claims	5,383	2,667	-	8,050
Total current liabilities	<u>15,778</u>	<u>2,667</u>	<u>30,026</u>	<u>48,471</u>
Noncurrent liabilities:				
Estimated liability for claims	10,544	3,529	-	14,073
Total noncurrent liabilities	<u>10,544</u>	<u>3,529</u>	<u>-</u>	<u>14,073</u>
Total liabilities	<u>26,322</u>	<u>6,196</u>	<u>30,026</u>	<u>62,544</u>
<b>NET POSITION</b>				
Unrestricted	781	-	-	781
Total net position	<u>\$ 781</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 781</u>

See accompanying independent auditors' report.

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**THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY**

**COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(amounts expressed in thousands)**

	Workers' Compensation	Liability Self Insurance	Group Health Insurance	Totals
<b>OPERATING REVENUES:</b>				
Premium revenue from other funds	\$ 10,934	\$ -	\$ 182,428	\$ 193,362
Other revenue	280	304	-	584
Total operating revenues	<u>11,214</u>	<u>304</u>	<u>182,428</u>	<u>193,946</u>
<b>OPERATING EXPENSES:</b>				
Salaries	532	-	-	532
Benefits	209	-	-	209
Purchased services	112	9	-	121
Claims, premiums and other	4,953	3,313	182,428	190,694
Total operating expenses	<u>5,806</u>	<u>3,322</u>	<u>182,428</u>	<u>191,556</u>
Operating income (loss)	<u>5,408</u>	<u>(3,018)</u>	<u>-</u>	<u>2,390</u>
<b>NON-OPERATING REVENUE:</b>				
Interest	522	155	-	677
Total non-operating revenue	<u>522</u>	<u>155</u>	<u>-</u>	<u>677</u>
Income before transfers	5,930	(2,863)	-	3,067
<b>TRANSFERS IN</b>	1	2,551	-	2,552
<b>TRANSFERS OUT</b>	<u>(10,393)</u>	<u>-</u>	<u>-</u>	<u>(10,393)</u>
Change in net position	(4,462)	(312)	-	(4,774)
Total net position - beginning	<u>5,243</u>	<u>312</u>	<u>-</u>	<u>5,555</u>
Total net position - ending	<u>\$ 781</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 781</u>

See accompanying independent auditors' report.

**THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY**

**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(amounts expressed in thousands)**

	Workers' Compensation	Liability Self Insurance	Group Health Insurance	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from interfund services provided	\$ 10,934	\$ -	\$ 182,273	\$ 193,207
Payment to suppliers	(6,323)	(3,727)	(182,657)	(192,707)
Payment to employees	(741)	-	-	(741)
Other receipts	213	315	-	528
Net cash provided by (used in) operating activities	<u>4,083</u>	<u>(3,412)</u>	<u>(384)</u>	<u>287</u>
<b>CASH FLOWS FROM NON CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Transfers from other funds	1	2,551	-	2,552
Transfers to other funds	(10,393)	(551)	-	(10,944)
Due to other funds	10,344	-	-	-
Net cash provided by (used in) noncapital and related financing activities	<u>(48)</u>	<u>2,000</u>	<u>-</u>	<u>(8,392)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Proceeds from sales and maturities of investments	4,742	1,257	-	5,999
Purchase of investments	-	-	(1,508)	(1,508)
Interest and dividends earned on investments	522	155	-	677
Net cash provided by (used in) investing activities	<u>5,264</u>	<u>1,412</u>	<u>(1,508)</u>	<u>5,168</u>
Net increase in cash	9,299	-	(1,892)	(2,937)
Cash - Beginning of year	<u>1,383</u>	<u>-</u>	<u>1,892</u>	<u>3,275</u>
Cash - End of year	<u><u>10,682</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>338</u></u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>				
Operating income (loss)	5,408	(3,018)	-	2,390
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	(67)	11	(16)	(72)
(Increase) decrease in due from other governmental agencies	-	-	57	57
Increase (decrease) in accounts payable	(239)	(60)	(286)	(585)
Increase (decrease) in due to other funds	-	-	-	-
Increase (decrease) in estimated liability for long-term claims	(1,019)	(345)	-	(1,364)
Increase (decrease) in deferred revenue	-	-	(139)	(139)
Total adjustments	<u>(1,325)</u>	<u>(394)</u>	<u>(384)</u>	<u>(2,103)</u>
Net cash provided by (used in) operating activities	<u>\$ 4,083</u>	<u>\$ (3,412)</u>	<u>\$ (384)</u>	<u>\$ 287</u>

See accompanying independent auditors' report.



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### 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, 2019  
(amounts expressed in thousands)**

	<b>School Activity Fund</b>			
	<b>Balances</b>		<b>Balances</b>	
	<b>June 30, 2018</b>	<b>Additions</b>	<b>Deductions</b>	<b>June 30, 2019</b>
<b>ASSETS</b>				
Cash	\$ 16,746	\$ 17,761	\$ 16,746	\$ 17,761
Investments	1,049	24	130	943
Inventory	136	173	136	173
Total assets	<u>17,931</u>	<u>17,958</u>	<u>17,012</u>	<u>18,877</u>
<b>LIABILITIES</b>				
Accounts payable	1,167	1,014	1,167	1,014
Due to student organizations	16,763	28,019	26,919	17,863
Payroll deductions	-	-	-	-
Total liabilities	<u>\$ 17,930</u>	<u>\$ 29,033</u>	<u>\$ 28,086</u>	<u>\$ 18,877</u>

	<b>Extended Year Fund</b>			
	<b>Balances</b>		<b>Balances</b>	
	<b>June 30, 2018</b>	<b>Additions</b>	<b>Deductions</b>	<b>June 30, 2019</b>
	\$ 29,461		\$ 29,461	\$ -
	11,692	41,856	11,692	41,856
	-	-	-	-
	<u>41,153</u>	<u>41,856</u>	<u>41,153</u>	<u>41,856</u>
	-	-	-	-
	-	-	-	-
	40,796	41,856	40,796	41,856
	<u>\$ 40,796</u>	<u>\$ 41,856</u>	<u>\$ 40,796</u>	<u>\$ 41,856</u>

(Continued)

See accompanying independent auditors' report.



**THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(amounts expressed in thousands)**

	<u>Miscellaneous Depository Fund</u>			
	Balances		Balances	
	June 30, 2018	Additions	Deductions	June 30, 2019
<b>ASSETS</b>				
Cash	\$ 29	\$ -	\$ -	\$ 29
Investments	-	-	-	-
Inventory	-	-	-	-
Total assets	<u>29</u>	<u>-</u>	<u>-</u>	<u>29</u>
<b>LIABILITIES</b>				
Accounts payable	29	-	-	29
Due to student organizations	-	-	-	-
Payroll deductions	-	-	-	-
Total liabilities	<u>\$ 29</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29</u>

	<u>Totals</u>			
	Balances		Balances	
	June 30, 2018	Additions	Deductions	June 30, 2019
	\$ 46,236	\$ 17,761	\$ 46,207	\$ 17,790
	12,741	41,880	11,822	42,799
	136	173	136	173
	<u>59,113</u>	<u>59,814</u>	<u>58,165</u>	<u>60,762</u>
	1,196	1,014	1,167	1,043
	16,763	28,019	26,919	17,863
	40,796	41,856	40,796	41,856
	<u>\$ 58,755</u>	<u>\$ 70,889</u>	<u>\$ 68,882</u>	<u>\$ 60,762</u>

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See accompanying independent auditors' report.



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**Component Units**

- **Discretely Presented Component Units** - Accounts for and reports on the various Charter Schools.
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THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

STATEMENT OF NET POSITION  
DISCRETELY PRESENTED COMPONENT UNITS  
FISCAL YEAR ENDED JUNE 30, 2019  
(dollar amounts expressed in thousands)

	Advantage Academy of Hillsborough	Avant Garde Academy Westchase	Bell Creek Academy	Bell Creek Academy High School	BridgePrep Academy of Riverview	BridgePrep Academy of Tampa
<b>ASSETS:</b>						
Cash	\$ 1,332	126	743	503	536	185
Investments	-	-	-	-	-	-
Accounts receivable, net	67	-	133	17	19	2
Due from other governmental agencies	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
Other assets	-	-	-	-	68	12
Prepaid items	92	-	11	-	97	57
Capital assets (net of accumulated depreciation):						
Land	599	-	-	-	-	-
Land Improvements	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-
Improvements other than buildings	-	-	-	-	-	-
Buildings and systems	5,969	118	-	-	-	8
Furniture, fixtures and equipment	46	430	61	4	580	56
Motor vehicles	-	-	-	-	-	-
Property under capital lease	-	-	-	-	-	-
Total assets	\$ 8,105	674	948	524	1,300	370
<b>DEFERRED OUTFLOWS</b>						
Deferred charge on refunding	-	-	-	-	-	-
<b>LIABILITIES</b>						
Accounts payable	\$ 33	55	82	143	6	11
Salaries and wages payable	157	-	239	137	286	129
Accrued payroll taxes and withholdings	-	-	-	-	-	-
Accrued interest	-	100	-	-	-	-
Due to other governmental agencies	-	-	-	-	-	-
Deposits payable	-	-	-	-	-	-
Advanced revenue	-	-	1	-	-	-
Estimated unpaid claims	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Noncurrent liabilities:						
Due within one year	119	557	34	-	54	4
Due in more than one year	7,078	329	38	-	5	5
Total liabilities	7,387	1,041	394	280	351	149
<b>NET POSITION</b>						
Net investment in capital assets	(584)	155	(11)	4	521	64
Restricted for:						
Debt service	420	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-
Unrestricted (deficit)	882	(522)	565	240	428	107
Total net position	\$ 718	(367)	554	244	949	171

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

Brooks DeBartolo High School	Channelside Academy of Math and Science	Channelside Academy Middle School	Community Charter School of Excellence	Creekside Charter Academy	East Tampa Academy	Excelsior Prep Charter School
1,200	1,900	432	117	831	71	71
-	125	6	-	1,172	3	142
-	-	-	-	114	18	-
6	-	-	-	-	-	-
-	4	1	-	60	-	-
1,975	3,087	-	-	-	-	-
-	-	-	-	-	-	-
12,223	5,136	21	789	10,228	2	-
18	54	6	-	736	13	32
90	-	-	-	-	-	-
15,512	10,306	466	906	13,146	107	245
-	-	-	-	-	-	-
-	-	-	-	-	-	-
299	46	46	118	437	92	48
-	141	1	32	134	-	15
-	-	-	-	30	-	-
-	1	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	148	-	250	202	-	-
-	8,794	-	347	13,333	-	55
299	9,130	47	747	14,136	92	118
14,284	(663)	27	192	(2,554)	15	32
-	506	-	-	1,142	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
929	1,333	392	(33)	422	-	95
15,213	1,176	419	159	(990)	15	127

(continued)

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THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

STATEMENT OF NET POSITION  
DISCRETELY PRESENTED COMPONENT UNITS  
FISCAL YEAR ENDED JUNE 30, 2019  
(dollar amounts expressed in thousands)

	Florida Autism Center of Excellence	Florida Connections Academy	Focus Academy	Henderson Hammock	Hillsborough Academy of Math and Science	Horizon Charter (formerly Tampa Charter)
<b>ASSETS:</b>						
Cash	\$ 5	1,653	622	2,588	1,640	274
Investments	-	-	-	-	-	-
Accounts receivable, net	1	-	2	725	76	3
Due from other governmental agencies	25	-	11	56	-	-
Inventories	-	-	-	-	-	-
Other assets	-	-	-	-	-	35
Prepaid items	10	4	53	120	6	-
Capital assets (net of accumulated depreciation):						
Land	-	-	-	-	-	-
Land Improvements	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-
Improvements other than buildings	-	-	-	153	-	-
Buildings and systems	33	20	-	10,498	65	43
Furniture, fixtures and equipment	3	-	22	271	43	26
Motor vehicles	-	-	-	-	-	-
Property under capital lease	-	-	-	-	-	-
Total assets	\$ 77	1,677	710	14,411	1,830	381
<b>DEFERRED OUTFLOWS</b>						
Accumulated decrease in fair value of hedging	-	-	-	-	-	-
<b>LIABILITIES</b>						
Accounts payable	\$ 62	542	26	216	80	101
Salaries and wages payable	53	196	27	295	300	-
Accrued payroll taxes and withholdings	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-
Due to other governmental agencies	-	918	-	-	-	-
Deposits payable	-	-	-	-	-	-
Advanced revenue	-	-	-	-	-	-
Estimated unpaid claims	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Noncurrent liabilities:						
Due within one year	31	-	104	222	-	-
Due in more than one year	-	-	-	12,092	-	-
Total liabilities	146	1,656	157	12,825	380	101
<b>NET POSITION</b>						
Net investment in capital assets	36	20	22	(1,363)	109	69
Restricted for:						
Debt service	-	-	-	-	1,047	-
Capital outlay	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-
Unrestricted (deficit)	(105)	1	531	2,949	1,341	211
Total net position	\$ (69)	21	553	1,586	1,450	280

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

Independence Academy	Kid's Community College Charter High School	Kid's Community College Riverview South	Kid's Community College Charter Southeast	Kid's Community College Southeast Middle	Learning Gate Community School
3,815	77	274	331	128	4,651
75	1	115	178	20	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
125	-	-	55	-	-
2,037	-	-	-	-	897
-	-	-	-	-	214
-	-	-	-	-	140
14,292	-	-	22	-	4,329
104	28	17	19	73	27
-	-	-	-	-	-
-	-	-	-	-	-
20,448	106	428	583	221	10,258
-	-	-	-	-	-
-	-	-	-	-	-
117	162	34	26	58	37
333	-	-	-	-	186
-	-	-	-	-	-
-	-	-	-	-	151
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
298	49	-	-	-	135
17,713	126	-	-	75	9,292
18,461	337	34	26	133	9,801
(1,578)	27	39	19	73	(1,851)
-	-	-	-	-	639
-	-	-	-	-	-
-	-	-	-	-	-
2,518	(258)	355	538	15	1,669
1,987	(231)	394	557	88	457

(continued)

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

STATEMENT OF NET POSITION  
DISCRETELY PRESENTED COMPONENT UNITS  
FISCAL YEAR ENDED JUNE 30, 2019  
(dollar amounts expressed in thousands)

	Legacy Preparatory Academy	Literacy Leadership Technology Academy M.S.	Lutz Preparatory School	New Springs	Pepin Academies	Pivot Charter School
<b>ASSETS:</b>						
Cash	17	\$ 825	2,296	692	3,328	67
Investments	-	-	-	-	-	-
Accounts receivable, net	-	3	9	148	30	-
Due from other governmental agencies	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
Other assets	-	-	-	-	-	32
Prepaid items	-	73	232	37	83	-
Capital assets (net of accumulated depreciation):						
Land	-	-	1,300	-	-	-
Land Improvements	-	-	-	-	-	-
Construction in progress	-	-	163	-	-	-
Improvements other than buildings	-	-	4	-	-	-
Buildings and systems	-	250	7,959	170	11,453	23
Furniture, fixtures and equipment	14	26	31	136	182	16
Motor vehicles	6	4	-	-	-	-
Property under capital lease	-	-	-	-	-	-
Total assets	37	\$ 1,181	11,994	1,183	15,076	138
<b>DEFERRED OUTFLOWS</b>						
Accumulated decrease in fair value of hedging	-	-	-	-	-	-
LIABILITIES						
Accounts payable	47	\$ 6	99	35	87	253
Salaries and wages payable	31	-	145	136	-	-
Accrued payroll taxes and withholdings	-	-	-	-	215	1
Accrued interest	-	-	-	-	324	-
Due to other governmental agencies	-	-	-	-	-	54
Deposits payable	-	-	-	-	-	-
Advanced revenue	-	-	492	-	-	-
Estimated unpaid claims	-	-	-	-	-	2
Other liabilities	-	-	-	-	-	11
Noncurrent liabilities:						
Due within one year	-	28	256	-	175	-
Due in more than one year	-	28	6,958	-	11,769	-
Total liabilities	78	62	7,950	171	12,370	265
<b>NET POSITION</b>						
Net investment in capital assets	20	225	2,243	306	(308)	39
Restricted for:						
Debt service	-	-	-	-	-	1,583
Capital outlay	-	-	225	-	-	-
Other purposes	-	-	-	-	-	-
Unrestricted (deficit)	(61)	894	1,576	706	2,814	(166)
Total net position	(41)	\$ 1,119	4,044	1,012	2,506	(127)

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

Plato Academy Tampa Charter School	Seminole Heights Charter High School	South Shore Charter Academy	Sports Leadership and Management Academy(Tampa)	Sunlake Academy of Math and Science	Terrace Community Middle School	The Collaboratory Preparatory Academy
98	1,320	1,624	61	1,442	1,278	14
-	-	1,722	170	-	-	-
-	-	101	184	42	-	25
-	6	-	-	-	60	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	3	81	66	-	-
-	-	-	-	-	-	-
-	-	-	-	-	2,525	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	69	10	-	46	2,816	80
47	99	864	643	163	155	29
-	-	-	-	-	-	-
-	-	-	-	-	-	-
145	1,494	19,837	1,139	1,759	6,834	148
-	-	-	-	-	-	-
-	-	-	-	-	155	-
-	-	-	-	-	155	-
210	442	202	32	92	29	-
-	-	226	59	286	135	36
-	-	-	-	-	-	-
-	-	54	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	2	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	325	137	118	68	-
275	-	20,489	752	169	4,842	-
485	442	21,296	980	667	5,074	36
47	168	(4,401)	243	(78)	1,608	109
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(387)	884	1,359	(84)	1,170	307	3
(340)	1,052	(1,459)	159	1,092	1,915	112

(continued)



**THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY**

**STATEMENT OF ACTIVITIES  
DISCRETELY PRESENTED COMPONENT UNITS  
FISCAL YEAR ENDED JUNE 30, 2019  
(dollar amounts expressed in thousands)**

	Advantage Academy of Hillsborough	Avant Garde Academy Westchase	Bell Creek Academy	Bell Creek Academy High School	BridgePrep Academy of Riverview	BridgePrep Academy of Tampa
<b>EXPENSES</b>						
Instructional services	\$ 1,546	1,542	2,294	1,333	2,869	1,217
Instructional support services	83	12	98	87	93	59
Pupil transportation services	103	86	3	2	-	-
Operation and maintenance of plant	322	387	344	228	272	184
Facilities acquisition and construction	467	1,125	834	592	1,222	331
School administration	349	-	304	188	994	469
General administration	396	554	471	338	791	377
Food services	8	127	7	3	74	46
Community services and other	113	5	305	-	76	39
Interest on long term debt	264	164	5	-	9	1
Unallocated depreciation/amortization expense	37	-	31	16	161	51
Total expenses	3,688	4,002	4,696	2,787	6,561	2,774
<b>PROGRAM REVENUES</b>						
Charges for services	74	6	144	-	231	80
Operating grants and contributions	129	334	-	11	466	69
Capital grants and contributions	282	189	316	214	432	212
Net program expenses	(3,203)	(3,473)	(4,236)	(2,562)	(5,432)	(2,413)
<b>GENERAL REVENUES</b>						
Grants and contributions not restricted to specific programs	3,196	2,729	4,143	2,943	6,173	2,397
Miscellaneous	52	1,260	484	15	55	16
Total general revenues	3,248	3,989	4,627	2,958	6,228	2,413
Change in net position	45	516	391	396	796	-
Net position (deficit) - beginning, restated	673	(883)	163	(152)	153	171
Net position (deficit) - ending	\$ 718	(367)	554	244	949	171

Brooks DeBartolo High School	Channelside Academy of Math and Science	Channelside Academy Middle School	Community Charter School of Excellence	Creskide Charter Academy	East Tampa Academy	Excelsior Prep Charter School
2,294	1,460	397	1,129	2,372	150	426
339	56	21	33	375	27	17
11	4	1	31	-	1	-
483	270	92	637	735	73	236
-	404	160	-	183	38	-
633	243	80	186	-	68	113
95	363	135	166	1,125	35	130
160	-	9	177	203	8	74
189	235	-	49	156	-	-
7	342	-	23	1,124	-	-
388	43	6	-	-	3	10
4,599	3,420	901	2,431	6,273	403	1,006
-	287	-	-	328	-	-
-	-	-	315	360	58	247
184	185	65	173	299	-	-
(4,415)	(2,948)	(836)	(1,943)	(5,286)	(345)	(759)
4,018	2,682	854	1,925	4,272	308	784
446	77	2	82	24	44	71
4,464	2,759	856	2,007	4,296	352	855
49	(189)	20	64	(990)	7	96
15,164	1,365	399	95	-	8	31
13,213	1,176	419	159	(990)	15	127

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

(continued)

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

STATEMENT OF ACTIVITIES  
DISCRETELY PRESENTED COMPONENT UNITS  
FISCAL YEAR ENDED JUNE 30, 2019  
(dollar amounts expressed in thousands)

	Florida Autism Center of Excellence	Florida Connections Academy	Focus Academy	Henderson Hammock	Hillsborough Academy of Math and Science	Horizon Charter (formerly Tampa Charter)
<b>EXPENSES</b>						
Instructional services	\$ 1,355	5,781	992	3,961	2,906	1,252
Instructional support services	318	57	1	342	78	23
Pupil transportation services	7	-	24	108	30	-
Operation and maintenance of plant	71	72	55	1,035	475	525
Facilities acquisition and construction	260	-	204	356	1,094	-
School administration	380	547	640	-	662	545
General administration	105	72	82	1,807	488	95
Food services	13	-	28	396	23	22
Community services and other	1	4	58	107	297	-
Interest on long term debt	-	-	-	1,064	-	-
Unallocated depreciation/amortization expense	17	2	14	-	36	-
Total expenses	2,527	6,535	2,098	9,176	6,089	2,462
<b>PROGRAM REVENUES</b>						
Charges for services	2	-	30	294	424	129
Operating grants and contributions	57	-	25	725	4	9
Capital grants and contributions	81	-	66	695	390	147
Net program expenses	(2,387)	(6,535)	(1,977)	(7,462)	(5,271)	(2,177)
<b>GENERAL REVENUES</b>						
Grants and contributions not restricted to specific programs	2,271	6,553	1,853	7,727	5,474	2,166
Miscellaneous	24	3	-	40	148	39
Total general revenues	2,295	6,556	1,853	7,767	5,622	2,205
Change in net position	(92)	21	(124)	305	351	28
Net position (deficit) - beginning, restated	23	-	677	1,281	1,099	252
Net position (deficit) - ending	\$ (69)	21	553	1,586	1,450	280

Independence Academy	Kid's Community College Charter High School	Kid's Community College Riverview South	Kid's Community College Charter Southeast	Kid's Community College Southeast Middle	Learning Gate Community School
3,190	631	1,666	1,336	629	3,443
109	16	7	18	11	143
3	-	-	-	-	-
548	135	270	204	86	449
1,090	273	901	654	219	130
471	406	1,219	838	365	1,044
887	65	159	116	85	160
28	82	528	197	128	190
318	2	92	13	77	123
665	1	-	-	-	561
104	8	16	6	21	321
7,413	1,619	4,858	3,382	1,621	6,564
329	13	218	42	91	350
8	230	311	90	239	79
455	-	276	178	94	382
(6,621)	(1,376)	(4,053)	(3,072)	(1,197)	(5,753)
6,331	1,063	3,808	2,774	1,238	5,517
291	204	306	217	25	340
6,622	1,267	4,114	2,991	1,263	5,857
1	(109)	61	(81)	66	104
1,986	(122)	333	638	22	353
1,987	(231)	394	557	88	457

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

(continued)



THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

STATEMENT OF ACTIVITIES  
DISCRETELY PRESENTED COMPONENT UNITS  
FISCAL YEAR ENDED JUNE 30, 2019  
(dollar amounts expressed in thousands)

	Legacy Preparatory Academy	Literacy Leadership Technology Academy M.S.	Lutz Preparatory School	New Springs	Pepin Academies	Pivot Charter School
<b>EXPENSES</b>						
Instructional services	1,241	\$ 2,620	3,591	1,990	6,302	951
Instructional support services	-	49	114	6	1,386	8
Pupil transportation services	66	-	-	-	20	139
Operation and maintenance of plant	269	430	686	394	1,038	387
Facilities acquisition and construction	131	544	134	357	11	-
School administration	351	815	614	570	1,766	402
General administration	103	58	113	238	150	122
Food services	210	156	49	347	406	-
Community services and other	-	341	861	49	234	-
Interest on long term debt	20	4	255	-	664	-
Unallocated depreciation/amortization expense	8	65	396	56	-	-
Total expenses	2,399	5,082	6,813	4,007	11,977	2,009
<b>PROGRAM REVENUES</b>						
Charges for services	-	421	940	50	311	-
Operating grants and contributions	523	-	-	538	1,001	-
Capital grants and contributions	146	308	379	280	-	127
Net program expenses	(1,730)	(4,353)	(5,494)	(3,139)	(10,665)	(1,882)
<b>GENERAL REVENUES</b>						
Grants and contributions not restricted to specific programs	1,746	4,311	5,512	3,148	10,562	1,732
Miscellaneous	9	249	496	69	-	64
Total general revenues	1,755	4,560	6,008	3,217	10,562	1,796
Change in net position	25	207	514	78	(103)	(86)
Net position (deficit) - beginning, restated	(66)	912	3,530	934	2,609	(41)
Net position (deficit) - ending	(41)	\$ 1,119	4,044	1,012	2,506	(127)

Plato Academy Tampa Charter School	Seminole Heights Charter High School	South Shore Charter Academy	Sports Leadership and Management Academy(Tampa)	Sunlake Academy of Math and Science	Terrace Community Middle School	The Collaboratory Preparatory Academy
965	517	3,855	2,214	3,115	3,115	483
17	209	410	18	143	337	36
-	47	-	-	31	-	-
217	417	1,160	1,456	416	-	392
-	64	114	-	1,111	-	95
204	-	-	814	473	-	193
64	909	1,896	274	702	1,430	96
-	-	240	95	18	-	75
-	9	165	48	215	-	-
9	-	1,327	24	27	269	-
8	-	-	-	51	10	16
1,484	2,172	9,167	4,943	6,302	5,161	1,386
-	-	355	58	288	525	-
238	44	270	156	93	376	380
57	131	558	331	621	-	-
(1,189)	(1,997)	(7,984)	(4,398)	(5,300)	(4,260)	(1,006)
897	1,668	7,699	3,174	5,659	4,467	658
14	30	52	1,228	192	25	369
911	1,698	7,751	4,402	5,851	4,492	1,027
-	(278)	(233)	(86)	4	232	21
(62)	1,351	(1,226)	155	541	1,683	91
(340)	1,052	(1,459)	159	1,092	1,915	112

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

(continued)

**THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY**

**STATEMENT OF ACTIVITIES  
DISCRETELY PRESENTED COMPONENT UNITS  
FISCAL YEAR ENDED JUNE 30, 2019  
(dollar amounts expressed in thousands)**

	Trinity Charter School	Valrico Lake Advantage Academy	Village of Excellence Academy	Village of Excellence Middle School	Walton Academy Charter School	Waterset Charter School
<b>EXPENSES</b>						
Instructional services	\$ 3,264	3,181	1,125	516	821	3,566
Instructional support services	204	102	66	4	-	242
Pupil transportation services	-	-	108	42	7	-
Operation and maintenance of plant	684	506	156	67	175	781
Facilities acquisition and construction	64	1,146	252	-	147	1,461
School administration	445	502	312	173	359	-
General administration	937	1,694	109	44	147	1,183
Food services	-	26	165	71	174	210
Community services and other	2,120	353	-	-	81	96
Interest on long term debt	385	-	-	39	3	74
Unallocated depreciation/amortization expense	424	82	-	41	79	-
Total expenses	8,527	7,592	2,293	997	1,993	7,613
<b>PROGRAM REVENUES</b>						
Charges for services	2,426	494	-	-	73	294
Operating grants and contributions	321	-	501	182	328	252
Capital grants and contributions	-	462	-	-	128	472
Net program expenses	(5,780)	(6,636)	(1,792)	(815)	(1,464)	(6,595)
<b>GENERAL REVENUES</b>						
Grants and contributions not restricted to specific programs	6,284	6,787	1,709	766	1,486	6,640
Miscellaneous	149	443	10	4	48	1
Total general revenues	6,433	7,230	1,719	770	1,534	6,641
Change in net position	653	594	(73)	(45)	70	46
Net position (deficit) - beginning, restated	2,590	4,014	123	159	234	338
Net position (deficit) - ending	\$ 3,243	4,608	50	114	304	384

	West University Charter High School	Winthrop Charter School	Woodmont Charter School	<b>TOTALS All Component Units</b>
	442	4,796	2,941	97,782
	266	376	732	7,148
	-	-	49	946
	23	1,292	971	20,458
	376	-	-	16,200
	32	-	-	18,737
	-	-	-	22,542
	943	1,541	692	5,520
	-	335	412	7,116
	-	199	86	10,163
	-	1,655	1,178	2,527
	-	-	-	-
	2,082	10,194	7,061	209,139
	-	494	84	9,885
	46	534	1,445	10,994
	142	647	441	10,545
	(1,894)	(8,519)	(5,091)	(177,715)
	1,755	8,925	4,941	173,725
	13	126	69	7,925
	1,768	9,051	5,010	181,650
	(126)	532	(81)	3,935
	521	1,123	(2,741)	40,501
	395	1,655	(2,822)	44,436

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



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**Statistical Section**  
(UNAUDITED)



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## 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.

<b>Contents</b>	<b>Page</b>
Financial Trend Information	152
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
Revenue Capacity Information	164
These schedules contain information to help the reader assess the District's most significant local revenues sources, the property tax.	
Debt Capacity Information	171
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.	
Demographic and Economic Information	178
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	
Operating Information	182
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.	

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SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA  
NET POSITION BY COMPONENT - GOVERNMENT-WIDE  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)  
(amounts in thousands)  
(unaudited)

	Fiscal Year					
	2019	2018**	2017	2016	2015*	2014
Government activities:						
Net investment in capital assets	\$ 1,413,056	\$ 1,317,830	\$ 1,323,826	\$ 1,334,059	\$ 1,294,026	\$ 1,260,998
Restricted	323,024	284,935	253,269	235,596	289,210	325,925
Unrestricted	(1,111,540)	(1,016,371)	(956,003)	(822,180)	(752,310)	47,980
Total governmental activities net position	<u>\$ 624,540</u>	<u>\$ 586,394</u>	<u>\$ 621,092</u>	<u>\$ 747,475</u>	<u>\$ 830,926</u>	<u>\$ 1,634,903</u>

	2013	2012	2011	2010
	\$ 1,266,015	\$ 1,286,749	\$ 1,290,343	\$ 1,291,084
	326,545	311,514	317,770	315,339
	132,606	190,751	262,804	243,337
	<u>\$ 1,725,166</u>	<u>\$ 1,789,014</u>	<u>\$ 1,870,917</u>	<u>\$ 1,849,760</u>

\*The District adopted GASB Statement No. 68 during fiscal 2015.  
Prior year amounts have not been restated.

\*\*The District adopted GASB Statement No. 75 during fiscal 2018.  
Prior year amounts have not been restated.

Note: The District has no business-type activities.

Source: District Records

**SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA**  
**CHANGES IN NET POSITION - GOVERNMENT WIDE**  
**LAST TEN FISCAL YEARS**  
(accrual basis of accounting)  
(amounts in thousands)  
(unaudited)

	Fiscal Year				2015*	2014	2013	2012	2011	2010
	2019	2018**	2017	2016						
<b>EXPENSES</b>										
Instructional services	\$ 1,316,307	\$ 1,283,222	\$ 1,294,842	\$ 1,205,858	\$ 1,172,491	\$ 1,114,285	\$ 1,032,881	\$ 1,014,459	\$ 1,049,491	\$ 1,014,163
Instructional support services	250,513	238,662	261,150	250,292	242,500	232,838	219,710	226,563	235,341	215,612
Pupil transportation services	70,821	68,252	71,438	67,078	75,442	72,786	70,806	70,253	71,489	67,484
Operation and maintenance of plant	160,904	148,222	149,630	142,255	140,260	139,024	139,205	137,589	137,588	140,495
Non capitalizable facilities acquisition and construction	142,492	126,098	116,950	128,843	116,886	118,081	111,836	110,901	109,258	119,075
School administration	111,524	107,534	114,528	107,622	103,374	96,080	91,712	90,299	93,816	92,927
General administration	44,433	52,182	56,127	72,970	62,009	62,875	47,052	43,560	48,391	47,814
Food services	120,865	113,706	121,828	119,177	111,631	105,851	95,897	90,591	87,967	84,171
Community services and other	56,440	63,699	65,738	88,342	87,043	85,307	83,642	84,246	84,274	84,771
Interest on long term debt	29,415	28,851	29,141	34,733	42,040	44,214	48,411	48,414	51,891	54,111
Unallocated depreciation/amortization expense	459	265	226	228	242	297	344	536	458	508
Total primary government expenses	\$ 2,304,173	\$ 2,230,693	\$ 2,281,598	\$ 2,217,398	\$ 2,153,918	\$ 2,071,638	\$ 1,941,496	\$ 1,917,411	\$ 1,969,964	\$ 1,921,131
<b>PROGRAM REVENUES</b>										
Charges for services:										
Instructional Services	\$ 25,412	\$ 25,756	\$ 26,241	\$ 26,664	\$ 25,600	\$ 23,451	\$ 22,654	\$ 22,505	\$ 20,237	\$ 18,866
Transportation	2,103	2,540	2,411	2,806	2,965	2,805	3,127	2,939	2,719	3,020
Food Services	21,731	17,069	24,292	22,523	21,475	25,022	24,885	25,422	26,967	28,771
Operating grants and contributions	99,735	98,127	93,722	93,302	85,979	82,478	74,682	70,022	67,857	64,238
Capital grants and contributions	11,854	11,915	12,963	11,186	11,643	7,658	7,747	7,744	16,424	10,866
Total primary government program revenues	160,835	155,407	159,629	156,481	147,662	141,414	133,095	128,632	134,204	125,761
Total primary government net (expenses) revenues	(2,143,338)	(2,075,286)	(2,121,969)	(2,060,917)	(2,006,256)	(1,930,224)	(1,808,401)	(1,788,779)	(1,835,760)	(1,795,370)
<b>GENERAL REVENUES</b>										
Property taxes										
Levied for general purposes	\$ 491,199	\$ 463,070	\$ 453,097	\$ 446,799	\$ 422,317	\$ 418,313	\$ 408,137	\$ 417,155	\$ 410,958	\$ 469,726
Levied for capital projects	149,921	136,301	125,707	116,623	108,238	101,322	96,078	97,610	101,243	114,015
Sales taxes	33,287	32,257	30,718	29,661	27,602	25,880	24,661	23,605	22,651	21,858
Sales tax referendum	50,113	-	-	-	-	-	-	-	-	-
Unrestricted grants and contributions	1,351,726	1,333,860	1,303,194	1,298,735	1,261,657	1,220,399	1,132,298	1,098,296	1,262,550	1,140,127
Investment earnings	12,038	6,167	3,568	3,621	344	2,454	6,176	4,360	7,296	14,487
Miscellaneous	93,200	82,184	79,302	82,027	75,494	80,024	77,203	65,850	52,219	38,651
Total primary government general revenues	\$ 2,181,484	\$ 2,053,839	\$ 1,995,586	\$ 1,977,466	\$ 1,895,652	\$ 1,848,392	\$ 1,744,553	\$ 1,706,876	\$ 1,856,917	\$ 1,798,864
<b>CHANGE IN NET POSITION</b>										
Total primary government	\$ 38,146	\$ (21,447)	\$ (126,383)	\$ (83,451)	\$ (110,604)	\$ (81,832)	\$ (63,848)	\$ (81,903)	\$ 21,157	\$ 3,494

Note: The District has no business-type activities.

Source: District Records

\*The District adopted GASB Statement No. 68 during fiscal 2015.  
Prior year amounts have not been restated.

\*\*The District adopted GASB Statement No. 75 during fiscal 2018.  
Prior year amounts have not been restated.

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SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA  
 GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE  
 LAST TEN FISCAL YEARS  
 (accrual basis of accounting)  
 (unaudited)

Fiscal Year Ended June 30	Property Tax			Sales Tax		Total
	General Purposes	Debt Service	Capital Projects	Community Investment	Sales Tax Referendum	
2019	\$ 491,198,783	\$ -	\$ 149,920,705	\$ 33,287,260	\$ 50,112,974	\$ 724,519,722
2018	463,070,018	-	136,301,147	32,257,233	-	631,628,398
2017	453,097,176	-	125,707,135	30,717,925	-	609,522,237
2016	446,798,976	-	116,622,968	29,660,622	-	593,082,566
2015	422,316,780	-	108,238,031	27,601,925	-	558,156,736
2014	418,312,866	-	101,321,821	25,879,851	-	545,514,538
2013	408,137,021	-	96,077,474	24,660,463	-	528,874,958
2012	417,155,104	-	97,610,428	23,604,577	-	538,370,109
2011	410,958,535	-	101,243,466	22,650,963	-	534,852,964
2010	469,725,783	-	114,014,998	21,857,951	-	605,598,732

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)  
(unaudited)

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>General Fund</b>										
Fund balances										
Nonspendable	\$ 4,665	\$ 4,458	\$ 4,754	\$ 4,253	\$ 5,064	\$ 5,088	\$ 5,223	\$ 4,955	\$ 4,742	\$ -
Restricted	38,599	31,805	34,199	22,849	22,309	31,063	30,383	25,477	25,164	-
Assigned	6,923	9,887	2,768	19,920	20,609	97,685	137,867	172,409	236,055	-
Unassigned	100,331	100,053	99,053	99,053	98,041	95,796	95,796	95,796	95,100	-
Reserved	-	-	-	-	-	-	-	-	-	54,915
Unreserved	-	-	-	-	-	-	-	-	-	288,255
Total general fund	<u>\$ 150,518</u>	<u>\$ 146,203</u>	<u>\$ 140,774</u>	<u>\$ 146,075</u>	<u>\$ 146,023</u>	<u>\$ 229,632</u>	<u>\$ 269,269</u>	<u>\$ 298,637</u>	<u>\$ 361,061</u>	<u>\$ 343,170</u>
<b>All Other Governmental Funds</b>										
Nonspendable	615	690	888	923	1,025	837	866	774	667	-
Restricted for:										
Federal programs	38,368	26,224	22,161	28,411	29,673	34,683	30,314	24,119	18,994	-
Debt service	91,325	86,237	90,650	108,917	116,870	109,414	102,778	91,609	95,450	-
Capital projects	182,636	156,770	120,329	88,522	138,347	168,287	184,676	217,427	274,997	-
Reserved reported in:										
Other governmental funds	-	-	-	-	-	-	-	-	-	48,339
Debt services	-	-	-	-	-	-	-	-	-	89,560
Unreserved, Reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	-	13,341
Capital projects funds	-	-	-	-	-	-	-	-	-	212,839
Total all other governmental funds	<u>\$ 312,944</u>	<u>\$ 269,921</u>	<u>\$ 234,028</u>	<u>\$ 226,773</u>	<u>\$ 285,915</u>	<u>\$ 313,221</u>	<u>\$ 318,634</u>	<u>\$ 333,929</u>	<u>\$ 390,108</u>	<u>\$ 364,079</u>

Note:  
The change in fund balance presentations from fiscal year 2010 to 2011 is due to the implementation of GASB 54 during the fiscal year ended June 30, 2011.

Source: District Records



**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)  
(unaudited))

	Fiscal Year			
	2019	2018	2017	2016
<b>REVENUES</b>				
Local sources:				
Ad valorem taxes	\$ 641,120	\$ 599,371	\$ 578,804	\$ 563,422
Local sales tax	83,400	32,257	30,718	29,661
Food services	21,732	17,069	24,292	22,523
Interest income	11,361	5,843	3,374	3,273
Other	125,764	110,652	107,328	111,156
Total local sources	883,377	765,192	744,516	730,035
State sources:				
Florida education finance program	826,474	824,486	794,841	767,173
Public education capital outlay	-	-	-	-
Categorical programs	253,934	250,557	245,787	267,201
Class size reduction	-	-	-	-
Workforce development	26,123	25,677	27,038	27,631
Food services	1,364	1,394	1,418	1,446
Other	52,381	37,524	29,823	21,999
Total state sources	1,160,276	1,139,638	1,098,907	1,085,450
Federal sources:				
Food services	98,523	96,733	92,304	91,856
Federal grants direct	12,302	19,030	22,459	26,373
Federal grants through state	147,432	135,573	143,644	148,124
Federal grants through local	44,781	52,927	52,567	51,420
Total federal sources	303,038	304,263	310,974	317,773
Total revenues	2,346,691	2,209,093	2,154,397	2,133,258
<b>EXPENDITURES</b>				
Current:				
Instructional services:				
Basic programs	1,003,586	968,603	937,226	924,621
Exceptional child programs	207,723	201,758	201,907	197,562
Adult and vocational technical programs	60,049	62,393	60,644	57,913
Total instructional services	1,271,358	1,232,754	1,199,777	1,180,096
Instructional support services:				
Pupil personnel services	91,537	85,646	83,427	83,326
Instructional media services	24,717	23,738	24,862	23,926
Instruction and curriculum development services	55,352	52,271	57,005	59,787
Instructional staff training services	32,586	32,206	41,694	42,656
Instructional related technology	35,716	34,265	34,834	35,374
Total instructional support services	239,908	228,126	241,822	245,069
Pupil transportation services	69,113	66,507	66,385	63,936
Operation and maintenance of plant:				
Operation of plant	127,797	118,019	114,978	110,092
Maintenance of plant	29,519	26,876	27,463	26,909
Total operation and maintenance of plant	157,316	144,895	142,441	137,001
School administration	106,120	102,849	104,128	103,209
General administration:				
Central services	22,184	26,700	28,000	46,438
Board of education	2,439	3,982	1,594	2,563
General administration	10,758	12,982	14,502	14,608
Fiscal services	6,709	6,381	6,960	6,924
Administrative technology services	154	181	228	399
Total general administration	42,244	50,226	51,284	70,932

	Fiscal Year					
	2015	2014	2013	2012	2011	2010
Local sources:						
Ad valorem taxes	\$ 530,554	\$ 519,635	\$ 504,215	\$ 514,765	\$ 512,202	\$ 583,741
Local sales tax	27,602	25,880	24,661	23,605	22,651	21,858
Food services	21,475	25,022	24,885	25,422	26,967	28,771
Interest income	1,552	2,115	5,411	3,708	5,935	9,134
Other	102,302	101,273	104,666	92,345	76,797	66,603
Total local sources	683,485	673,925	663,838	659,845	644,552	710,107
State sources:						
Florida education finance program	731,095	696,124	620,982	577,088	610,790	547,771
Public education capital outlay	-	-	-	-	8,673	3,115
Categorical programs	268,957	263,615	261,253	255,284	251,296	244,294
Class size reduction	-	-	-	-	-	-
Workforce development	28,412	28,708	30,434	30,603	29,139	29,770
Food services	1,447	1,419	1,406	1,475	1,455	1,476
Other	21,332	17,896	14,396	13,700	13,343	13,483
Total state sources	1,051,243	1,007,762	928,471	878,150	914,696	839,909
Federal sources:						
Food services	84,531	81,060	81,060	73,276	68,547	62,401
Federal grants direct	24,283	18,891	15,152	23,406	17,897	19,715
Federal grants through state	142,679	151,199	144,218	151,680	286,615	232,208
Federal grants through local	56,541	51,623	53,610	54,279	61,221	60,638
Total federal sources	308,034	302,773	286,256	297,912	432,134	375,322
Total revenues	2,042,762	1,984,460	1,878,565	1,835,907	1,991,382	1,925,338
Current:						
Instructional services:						
Basic programs	926,265	856,439	801,529	787,946	811,299	782,153
Exceptional child programs	196,814	176,665	159,592	161,653	174,859	167,394
Adult and vocational technical programs	56,670	55,613	53,993	52,698	57,767	59,208
Total instructional services	1,179,749	1,088,717	1,015,114	1,002,297	1,043,925	1,008,755
Instructional support services:						
Pupil personnel services	84,762	80,105	74,534	73,816	77,390	75,521
Instructional media services	24,112	22,933	21,683	22,164	22,556	22,240
Instruction and curriculum development services	56,116	48,587	42,694	48,866	53,817	46,299
Instructional staff training services	43,044	42,386	47,950	46,876	52,302	44,544
Instructional related technology	33,774	32,955	28,137	30,686	27,150	26,129
Total instructional support services	241,808	226,966	214,998	222,408	233,215	214,733
Pupil transportation services	74,336	69,447	66,576	67,340	69,863	65,559
Operation and maintenance of plant:						
Operation of plant	111,249	107,957	107,455	109,076	109,343	113,399
Maintenance of plant	27,239	26,810	27,555	27,294	29,031	28,163
Total operation and maintenance of plant	138,488	134,767	135,010	136,370	138,374	141,562
School administration	102,679	94,018	89,472	88,662	93,777	92,653
General administration:						
Central services	39,723	37,126	25,313	24,657	26,504	24,263
Board of education	1,644	2,454	1,519	1,277	1,443	1,546
General administration	11,894	11,945	10,584	9,678	11,384	12,075
Fiscal services	7,486	7,714	7,194	6,551	7,546	7,526
Administrative technology services	403	1,000	607	607	583	518
Total general administration	61,150	60,239	45,212	42,770	47,460	45,928

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**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)  
(unaudited))

	Fiscal Year			
	2019	2018	2017	2016
Non-capitalizable facilities acquisition and construction	55,056	34,381	28,056	41,067
Charter school local capital improvement	61	2,742	-	-
Food services	117,819	110,597	116,335	115,557
Community services and other	56,147	63,392	65,166	88,107
Debt Service:				
Principal retirement	53,070	163,341	98,838	58,040
Interest	32,552	26,907	35,702	36,569
Dues, fees and other	549	1,270	545	2,531
Capital outlay				
Facilities Acquisitions & Construction	99,042	35,534	61,938	65,752
Other capital outlay	7,267	6,918	12,580	9,944
<b>Total expenditures</b>	<b>2,307,622</b>	<b>2,270,439</b>	<b>2,224,997</b>	<b>2,217,810</b>
Excess (deficiency) of revenues over (under) expenditures	39,069	(61,346)	(70,600)	(84,552)
<b>OTHER FINANCING SOURCES (USES):</b>				
Long term bonds issued	-	-	-	-
Premium on sale of bonds	-	-	-	-
Payment to terminate swap	-	(15,412)	-	-
Refunding bonds issued	392	-	72,712	118,955
Premium on sale of refunding bonds	62	-	5,901	33,234
Certificates of participation issued	-	-	-	-
Premium on sale of certificates of participation	9,472	24,196	-	-
Discount on sale of certificates of participation	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Refunding certificates of participation	64,995	162,880	32,445	231,680
Payments to refunded escrow agent - bonds	(450)	(66,996)	(40,094)	(384,982)
Payments to refunded bond escrow agent - certificates of participation	(74,043)	-	-	-
Proceeds from capital leases	-	-	-	-
Transfers in	135,886	111,486	140,807	186,938
Transfers out	(128,045)	(113,486)	(139,217)	(160,364)
<b>Total other financing sources and uses</b>	<b>8,269</b>	<b>102,668</b>	<b>72,554</b>	<b>25,461</b>
Net change in fund balances	47,338	41,322	1,954	(59,091)
Fund balances - beginning	416,124	374,802	372,848	431,939
<b>Fund balances - ending</b>	<b>\$ 463,462</b>	<b>\$ 416,124</b>	<b>\$ 374,802</b>	<b>\$ 372,848</b>
Debt service as a percentage of non-capital expenditures	3.89%	8.54%	6.26%	4.42%

Source: District Records

	2015	2014	2013	2012	2011	2010
Non-capitalizable facilities acquisition and construction	31,073	31,415	26,400	26,283	27,122	38,516
Charter school local capital improvement	-	-	-	-	-	-
Food services	110,006	102,873	93,553	89,778	88,585	84,613
Community services and other	86,957	85,179	83,565	84,229	84,208	84,784
Debt Service:						
Principal retirement	46,308	44,279	41,659	50,502	38,206	36,494
Interest	42,762	46,867	47,071	50,318	49,930	53,244
Dues, fees and other	1,017	988	961	1,668	1,729	4,203
Capital outlay						
Facilities Acquisitions & Construction	69,906	44,231	55,841	83,995	68,878	101,848
Other capital outlay	12,653	8,889	7,796	8,898	13,652	14,395
<b>Total expenditures</b>	<b>2,198,892</b>	<b>2,038,875</b>	<b>1,923,228</b>	<b>1,955,518</b>	<b>1,998,924</b>	<b>1,987,287</b>
Excess (deficiency) of revenues over (under) expenditures	(156,130)	(54,415)	(44,663)	(119,611)	(7,542)	(61,949)
<b>OTHER FINANCING SOURCES (USES):</b>						
Long term bonds issued	-	-	-	-	3,235	675
Premium on sale of bonds	-	-	-	-	295	18
Payment to terminate swap	-	-	-	-	-	-
Refunding bonds issued	18,583	2,486	-	1,685	970	3,945
Premium on sale of refunding bonds	1,395	397	-	257	157	362
Certificates of participation issued	-	-	-	-	37,935	-
Premium on sale of certificates of participation	-	-	-	16,280	-	3,898
Discount on sale of certificates of participation	-	-	-	-	-	(664)
Proceeds from sale of capital assets	-	-	-	93	-	-
Refunding certificates of participation	64,995	162,880	32,445	124,565	-	97,545
Payments to refunded escrow agent - bonds	(450)	(66,996)	(40,094)	(141,872)	(1,130)	(105,720)
Payments to refunded bond escrow agent - certificates of participation	-	-	-	-	-	-
Proceeds from capital leases	-	-	-	-	-	-
Transfers in	126,884	83,396	70,972	69,194	77,400	73,641
Transfers out	(84,089)	(74,444)	(70,972)	(69,194)	(67,400)	(76,211)
<b>Total other financing sources and uses</b>	<b>45,215</b>	<b>9,365</b>	<b>-</b>	<b>1,008</b>	<b>51,462</b>	<b>(2,511)</b>
Net change in fund balances	(110,915)	(45,050)	(44,663)	(118,603)	43,920	(64,460)
Fund balances - beginning	542,853	587,903	632,566	751,169	707,249	771,709
<b>Fund balances - ending</b>	<b>\$ 431,938</b>	<b>\$ 542,853</b>	<b>\$ 587,903</b>	<b>\$ 632,566</b>	<b>\$ 751,169</b>	<b>\$ 707,249</b>
Debt service as a percentage of non-capital expenditures	4.21%	4.59%	4.77%	5.41%	4.60%	4.80%

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**SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA**  
**GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE**  
**LAST TEN FISCAL YEARS**  
(modified accrual basis of accounting)  
(unaudited)

Fiscal Year Ended June 30,	Property Tax			Sales Tax		Total
	General Purposes	Debt Service	Capital Projects	Community Investment Tax	Sales Tax Referendum	
2019	\$ 491,198,783	\$ -	\$ 149,920,705	\$ 33,287,260	\$ 50,112,974	\$ 724,519,722
2018	463,070,018	-	136,301,147	32,257,233		631,628,398
2017	453,097,176	-	125,707,135	30,717,925		609,522,237
2016	446,798,976	-	116,622,698	29,660,622		593,082,296
2015	422,316,780	-	108,238,031	27,601,925		558,156,736
2014	418,312,866	-	101,321,821	25,879,851		545,514,539
2013	408,137,021	-	96,077,474	24,660,463		528,874,958
2012	417,155,104	-	97,610,428	23,604,577		538,370,109
2011	410,958,535	-	101,243,466	22,650,963		534,852,964
2010	469,725,783	-	114,014,998	21,857,951		605,598,732

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)  
(unaudited)

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			
2019	\$ 59,863,902	\$ 38,468,648	\$ 5,146,671	\$ 103,479,221	6.4140	\$ 126,204,062	81.99%
2018	54,154,102	35,350,046	4,668,308	94,172,456	6.5960	115,443,439	81.57%
2017	49,890,034	32,507,754	4,360,598	86,758,386	6.9060	106,868,077	81.18%
2016	49,980,977	26,088,836	4,378,530	80,448,343	7.2470	99,744,677	80.65%
2015	43,169,446	27,885,418	3,585,242	74,640,106	7.3530	93,045,243	80.22%
2014	44,158,619	21,686,777	3,723,569	69,568,965	7.6900	87,642,064	79.38%
2013	40,557,101	21,309,556	3,970,024	65,836,681	7.8770	83,787,329	78.58%
2012	36,420,767	27,208,584	3,730,500	67,359,851	7.9130	85,121,195	79.13%
2011	39,993,330	26,403,397	3,957,846	70,354,573	7.5920	88,512,696	79.49%
2010	44,400,315	29,802,280	4,317,137	78,519,732	7.6920	91,800,328	85.53%

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**  
(unaudited)

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
District School Board:										
Local Required Effort	4.1660	4.3480	4.6580	4.9990	5.1050	5.4420	5.6290	5.6650	5.3440	5.4440
Discretionary Local	0.7480	0.7480	0.7480	0.7480	0.7480	0.7480	0.7480	0.7480	0.7480	0.7480
Supplemental Discretionary	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Debt Service	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Capital Improvement	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000
<b>Total District School Board</b>	<b>6.4140</b>	<b>6.5960</b>	<b>6.9060</b>	<b>7.2470</b>	<b>7.3530</b>	<b>7.6900</b>	<b>7.8770</b>	<b>7.9130</b>	<b>7.5920</b>	<b>7.6920</b>
Other County-Wide:										
Board of County Commissioners	5.7913	5.7913	5.7926	5.7926	5.7943	5.7960	5.7978	5.7995	5.8011	5.8027
Tampa Port Authority	0.1150	0.1300	0.1450	0.1550	0.1650	0.1750	0.1850	0.1900	0.1900	0.1925
Children's Board	0.4589	0.4589	0.4589	0.4589	0.4589	0.4828	0.5000	0.5000	0.5000	0.5000
S.W. Florida Water Management	0.2955	0.3131	0.3317	0.3488	0.3658	0.3818	0.3928	0.3928	0.3770	0.3866
<b>Total County-Wide</b>	<b>13.0747</b>	<b>13.2893</b>	<b>13.6342</b>	<b>14.0023</b>	<b>14.1370</b>	<b>14.5256</b>	<b>14.7526</b>	<b>14.7953</b>	<b>14.4601</b>	<b>14.5738</b>
Non-County Wide:										
Board of County Commissioners										
Public Library Service (1)	0.5583	0.5583	0.5583	0.5583	0.5583	0.5583	0.5583	0.5583	0.5583	0.5583
Municipal Service Tax	4.3745	4.3745	4.3745	4.3745	4.3745	4.3745	4.3745	4.3745	4.3745	4.3745
Parks & Recreation (unincorporated)	0.0259	0.0259	0.0259	0.0259	0.0259	0.0259	0.0259	0.0259	0.0259	0.0259
Independent Special Districts										
SWFWMD Watershed Basins(2)										
Alafia River Basin	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.2163	0.2163
Hillsborough River Basin	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.2300	0.2421
N.W. Hillsborough River Basin	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Transit Authority	0.5000	0.5000	0.5000	0.5000	0.0000	0.0000	0.5000	0.5000	0.4682	0.4682
Tampa Palms C.D.D.	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Municipalities:										
Tampa	6.2076	6.2076	5.7326	5.7326	5.7326	5.7326	5.7326	5.7326	5.7326	5.7326
Plant City	5.7157	5.7157	4.7157	4.7157	4.7157	4.7157	4.7157	4.7157	4.7157	4.7157
Temple Terrace	6.9550	6.9550	7.2050	6.9550	6.3050	6.4300	6.4300	6.2500	5.9500	5.2829

- (1) This Levy is assessed on all property outside Plant City and Temple Terrace, i.e., Tampa and unincorporated areas.
- (2) As of fiscal year 2012 SWFWMD no longer has taxes on basins. 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 Property Appraiser

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA  
 PRINCIPAL PROPERTY TAX PAYERS  
 LAST TEN FISCAL YEARS  
 (amounts in thousands)  
 (unaudited)

Fiscal Year										
2019					2018					
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	\$ 46,616	\$ 2,442,908	2.37%	1	\$ 46,616	\$ 2,442,908	2.37%	
Hillsborough Aviation Authority	Transportation	2	13,914	664,259	0.71%	2	13,914	664,259	0.71%	
Frontier Communications	Communications	3	9,078	466,137	0.46%	3	9,078	466,137	0.46%	
Highwoods/Florida Holding	Real Estate Mgmt	4	8,349	387,031	0.42%	4	8,349	387,031	0.42%	
Mosaic Fertilizer, LLC	Mining	5	7,978	417,776	0.41%	5	7,978	417,776	0.41%	
Camden Operating LP	Real Estate/Apartment	6								
Westfield	Shopping Malls	7	6,278	330,197	0.32%	7	6,278	330,197	0.32%	
Wal-Mart	Retail Sales	8	4,712	230,661	0.24%	8	4,712	230,661	0.24%	
Metropolitan Life	Insurance	9	4,284	203,052	0.22%	9	4,284	203,052	0.22%	
Post Apartment Homes LP	Real Estate/Apartment	10	6,381	304,279	0.32%	6	6,381	304,279	0.32%	
Liberty Property	Property Management									
BrightHouse Networks	Communications									
Tampa Port Authority	Cargo/Cruise/Real Estate		3,716	183,663	0.19%	10	3,716	183,663	0.19%	
<b>Total</b>			<b>\$ 111,306</b>	<b>\$ 5,629,963</b>	<b>5.66%</b>		<b>\$ 111,306</b>	<b>\$ 5,629,963</b>	<b>5.66%</b>	

Fiscal Year										
2014					2013					
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	\$ 39,268	\$ 1,792,659	2.57%	1	\$ 39,075	\$ 1,751,481	2.65%	
Verizon Florida Inc	Communications	2	16,861	769,725	1.09%	2	19,845	889,528	1.53%	
Hillsborough Aviation Authority	Transportation	3	10,862	495,854	0.71%	3	9,770	437,913	0.75%	
Camden Operating LP	Real Estate	4	5,637	257,338	0.37%	4	6,260	280,592	0.48%	
Highwoods/Florida Holding	Real Estate Mgmt	5	3,887	177,469	0.25%	5	5,347	239,686	0.41%	
Tampa Sports Authority	Real Estate/Apartment	6								
Westfield	Shopping Malls	7	4,795	218,899	0.31%	7	4,832	216,574	0.37%	
Mosaic/Cargil Incorporated	Mining	8				8	4,164	186,628	0.32%	
Wal-Mart	Retail Sales	9	5,183	236,623	0.34%	9	4,018	180,103	0.31%	
Liberty Property	Property Management	10	5,028	229,514	0.33%	10	3,535	158,442	0.27%	
Post Apartment Homes	Housing		4,802	219,231	0.31%	6	4,978	223,137	0.38%	
Mosaic Fertilizer, LLC	Mining									
BrightHouse Networks	Communications		4,350	198,576	0.28%					
Busch Entertainment	Entertainment									
Tampa Port Authority	Cargo/Cruise/Real Estate									
Teachers Insurance & Annuity	Insurance									
<b>Total</b>			<b>\$ 100,673</b>	<b>\$ 4,595,888</b>	<b>6.57%</b>		<b>\$ 101,824</b>	<b>\$ 4,564,084</b>	<b>7.47%</b>	

Fiscal Year														
2017					2016					2015				
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	\$ 42,735	\$ 2,208,536	2.34%	1	\$ 42,019	\$ 2,132,264	2.43%	1	\$ 41,735	\$ 2,107,634	2.60%			
2	12,664	611,391	0.69%	3	11,025	513,635	0.64%	3	10,967	505,695	0.68%			
3	12,480	627,657	0.68%	2	14,253	704,209	0.82%	2	15,383	756,107	0.96%			
5	7,258	336,138	0.40%	8	4,700	217,037	0.27%	9	4,281	199,981	0.27%			
4	8,071	416,990	0.44%	5	5,501	276,385	0.32%	10	3,949	199,654	0.25%			
				4	6,011	284,337	0.35%	4	5,379	264,283	0.34%			
7	5,828	301,304	0.32%	6	5,434	274,267	0.31%	6	4,917	249,502	0.31%			
8	4,705	228,666	0.26%	9	4,472	211,235	0.26%		-	-	-			
9	4,056	193,900	0.22%					8	4,300	203,168	0.27%			
6	5,948	284,368	0.33%					5	5,227	247,621	0.33%			
10	4,015	202,396	0.22%	7	4,791	235,615	0.28%	7	4,308	216,668	0.27%			
				10	4,300	214,752	0.25%							
<b>Total</b>	<b>\$ 107,760</b>	<b>\$ 5,411,346</b>	<b>5.90%</b>		<b>\$ 102,506</b>	<b>\$ 5,063,736</b>	<b>5.93%</b>		<b>\$ 100,446</b>	<b>\$ 4,950,313</b>	<b>0.00%</b>			

Fiscal Year														
2012					2011					2010				
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	\$ 37,592	\$ 1,690,235	2.50%	1	\$ 34,683	\$ 1,581,026	2.24%	1	\$ 32,379	\$ 1,481,634	1.88%			
2	15,858	713,031	1.06%	2	17,657	804,901	1.14%	2	26,455	1,210,535	1.53%			
3	9,510	427,581	0.63%	3	9,855	449,227	0.64%	3	11,039	505,153	0.64%			
4	5,972	268,494	0.40%	5	5,539	252,485	0.36%	4	6,475	296,292	0.38%			
				9	4,156	189,438	0.27%	7	4,391	200,936	0.25%			
				6	4,707	211,658	0.31%							
				9	5,770	259,443	0.38%	4	6,459	294,446	0.42%			
				8	4,196	188,642	0.28%	8	4,275	194,860	0.28%			
				6	4,312	193,864	0.29%	6	4,607	210,028	0.30%			
				7	4,604	207,016	0.31%	7	4,288	195,469	0.28%			
				10				8	4,205	192,442	0.24%			
								10	3,432	157,035	0.20%			
5				10	3,771	171,911	0.24%							
<b>Total</b>	<b>\$ 96,769</b>	<b>\$ 4,350,983</b>	<b>6.44%</b>		<b>\$ 95,290</b>	<b>\$ 4,343,791</b>	<b>6.17%</b>		<b>\$ 101,923</b>	<b>\$ 4,663,902</b>	<b>5.90%</b>			

Source: Hillsborough County Tax Collector

**SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**  
(unaudited)

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		Total Collections (1)	Percent of Levy
2019	\$ 667,341,930	\$ 639,994,245	95.90%	1,125,243	\$ 641,119,488	96.07%
2018	623,746,368	598,702,459	95.99%	668,706	599,371,165	96.09%
2017	601,253,945	577,457,540	96.04%	1,346,771	578,804,312	96.27%
2016	585,846,513	562,013,067	95.93%	1,408,877	563,421,944	96.17%
2015	551,207,182	529,052,460	95.98%	1,502,351	530,554,811	96.25%
2014	538,166,770	515,483,196	95.79%	4,151,492	519,634,688	96.56%
2013	521,066,245	497,507,461	95.48%	6,707,034	504,214,495	96.77%
2012	535,661,273	512,201,737	95.62%	2,563,795	514,765,532	96.10%
2011	537,023,488	508,048,259	94.60%	4,153,742	512,202,011	95.38%
2010	607,883,201	578,606,240	95.18%	5,134,542	583,740,782	96.03%

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**  
(unaudited)

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	Premiums/(Discounts)/(Loss on Refunding) (C)	Total Primary Government			
2019	\$ -	\$ 10,272,000	\$ 623,613,000	\$ 149,240,000	\$ 57,940,612	\$ 841,065,612	1.342%	\$ 585.34	
2018	-	12,300,000	667,808,000	165,135,000	55,353,516	900,596,516	1.494%	\$ 638.67	
2017	-	17,706,000	703,863,000	178,745,000	48,619,533	948,933,533	1.619%	689.51	
2016	-	23,525,000	740,903,000	172,100,000	48,399,974	984,927,974	1.786%	743.03	
2015	-	28,405,000	797,863,000	191,935,000	25,973,656	1,044,176,656	1.987%	802.05	
2014	-	34,641,000	827,508,000	198,469,861	28,191,208	1,088,810,069	2.130%	843.01	
2013	-	39,960,000	855,283,000	209,448,592	4,845,256	1,109,536,848	2.234%	868.35	
2012	-	46,620,000	881,518,000	220,082,159	5,084,377	1,153,304,536	2.536%	925.25	
2011	-	50,570,000	925,971,000	230,290,971	(3,561,048)	1,203,270,923	2.644%	971.25	
2010	-	50,735,000	912,061,000	240,101,621	(3,584,929)	1,199,312,692	2.620%	975.66	

(A) The primary government does not have any business type activities.

(B) Total Primary Government Debt divided by Personal Income and Population from Page 178 - Demographics and Economics.

(C) Effective in 2014, only premiums and discounts are part of the debt totals. Loss on refunding has been moved to deferred outflows due to the implementation of GASB Statement 65. Prior year amounts were not restated.

Source: District Records

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**SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA  
RATIO OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN YEARS**  
(unaudited)

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
2019	1,436,888	\$ 103,479,221	\$ -	\$ -	\$ -	0.000%	\$ -
2018	1,410,115 *	94,172,455	-	-	-	0.000%	-
2017	1,376,238	86,758,386	-	-	-	0.000%	-
2016	1,325,563	80,448,343	-	-	-	0.000%	-
2015	1,301,887	74,640,107	-	-	-	0.000%	-
2014	1,291,578	69,568,965	-	-	-	0.000%	-
2013	1,277,746	65,836,681	-	-	-	0.000%	-
2012	1,246,480	67,359,851	-	-	-	0.000%	-
2011	1,245,870	70,354,573	-	-	-	0.000%	-
2010	1,229,226	78,519,732	-	-	-	0.000%	-

- (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

\* Population was restated from census base to population estimate for July of 2017.

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**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**  
(unaudited)

Fiscal Year	Principal	Interest	Total Debt Service	Total General Governmental Non-Capital Expenditures (A)	Ratio of Debt Service to General Governmental Non-Capital Expenditures
2019	\$ -	\$ -	\$ -	\$ 2,201,313	-
2018	-	-	-	2,227,987	-
2017	-	-	-	2,150,479	-
2016	-	-	-	2,142,114	-
2015	-	-	-	2,116,333	-
2014	-	-	-	1,985,755	-
2013	-	-	-	1,859,591	-
2012	-	-	-	1,862,625	-
2011	-	-	-	1,906,394	-
2010	-	-	-	1,871,044	-

- (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, 2019  
 (unaudited)

Jurisdiction	General Obligation Bonded Debt Outstanding	State Board of Education Bonds	Certificates Of Participation	District Revenue Bonds	Premiums/ (Discounts)	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	\$ 55,440	\$ -	\$ -	\$ -	\$ -	0%	\$ -	100%	\$ 55,440
School District of Hillsborough County	-	10,272,000	623,613,000	149,240,000	57,940,612	100%	841,065,612	100%	841,065,612
<b>Totals</b>	<b>\$ 55,440</b>	<b>\$ 10,272,000</b>	<b>\$ 623,613,000</b>	<b>\$ 149,240,000</b>	<b>\$ 57,940,612</b>		<b>\$ 841,065,612</b>		<b>\$ 841,121,052</b>

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  
 (unaudited)

Fiscal Year	Taxable Assessed Value (A)	Annual Lease Payment	Millage Levy to Provide 1.00x Coverage
2019	\$ 103,479,221	\$ 65,919,831	0.6370
2018	94,172,455	64,605,034	0.6860
2017	86,758,386	65,178,750	0.7513
2016	80,448,343	65,375,307	0.8126
2015	74,640,107	66,963,746	0.8972
2014	69,568,965	65,206,725	0.9373
2013	65,836,681	67,756,565	1.0292
2012	67,359,851	66,005,259	0.9799
2011	70,354,573	62,458,386	0.8878
2010	78,519,732	62,535,435	0.7964

(A) Assessed Value is in Thousands.

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)  
(unaudited)

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net Assessed Value	\$ 126,204,062	\$ 115,443,439	\$ 106,868,077	\$ 99,744,677	\$ 93,045,243	\$ 87,642,064	\$ 83,787,329	\$ 85,121,195	\$ 88,512,696	\$ 91,800,328
Debt Limit - 10% of Assessed Value	\$ 12,620,406	\$ 11,544,344	\$ 10,686,807	\$ 9,974,468	\$ 9,304,524	\$ 8,764,206	\$ 8,378,733	\$ 8,512,120	\$ 8,851,270	\$ 9,180,033
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	\$ 12,620,406	\$ 11,544,344	\$ 10,686,807	\$ 9,974,468	\$ 9,304,624	\$ 8,764,206	\$ 8,378,733	\$ 8,512,120	\$ 8,851,270	\$ 9,180,033
Total Debt Applicable to the Debt Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	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

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**SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN YEARS**  
(unaudited)

Fiscal Year	Population (A)	Personal Income (1) (A) (in thousands)	Per Capita Personal Income (A)	Median Age (A)	Unemployment Rate (B)	Education Level (C)				School Enrollment (D)	Government-wide Governmental Activities Expenses (1-3) (in thousands)	Cost per Student
						Less than High School	High School	Bachelors	Graduate			
2019	1,436,888	\$ 62,695,256 (E)	\$ 43,633	36.80	3.4%	107,685	512,874	186,168	105,860	211,959	\$ 2,304,173	\$ 10,871
2018	1,410,115 (F)	60,283,900	42,751	36.60	3.8%	108,449	501,357	177,786	101,338	190,831	2,230,693	11,689
2017	1,376,238	58,596,262	43,435	36.20	4.9%	109,206	496,248	170,046	96,391	212,038	2,281,598	10,760
2016	1,325,563	55,155,924	41,902	36.20	5.0%	109,851	488,793	163,499	89,413	209,414	2,179,935	10,410
2015	1,301,887	52,541,062	40,358	37.90	5.8%	109,902	477,076	159,025	86,590	204,089	2,153,918	10,554
2014	1,291,578	51,109,828	39,572	36.50	6.2%	108,577	484,510	173,879	95,403	201,300	2,071,638	10,291
2013	1,277,746	49,671,035	38,874	36.40	7.1%	107,407	488,402	164,779	88,920	198,659	1,941,496	9,773
2012	1,246,480	45,473,079	36,481	36.40	8.8%	114,640	493,709	149,792	83,115	195,198	1,917,411	9,823
2011	1,238,890	45,511,155	36,735	36.10	11.0%	112,733	463,938	155,213	77,644	192,499	1,969,964	10,234
2010	1,229,226	45,779,076	37,242	35.60	11.9%	109,242	458,402	142,655	78,010	190,799	1,921,131	10,069

(continued)

- (1) Personal Income and Government-wide expenses are in thousands.
- (2) The District adopted GASB Statement No. 68 during 2015. Prior year amounts were not restated.
- (3) The District adopted GASB Statement No. 75 during 2018. Prior year amounts were not restated.

Sources:

- (A) Estimates of 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) Information not available; personal income calculated using growth rate of 4% from previous year.
- (F) Population was restated from census base to population estimate for July of 2017.

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SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA  
 PRINCIPAL EMPLOYERS  
 HILLSBOROUGH COUNTY EMPLOYMENT  
 LAST TEN YEARS  
 (unaudited)

Employer	Fiscal Year							
	2018			2017				
	Employees	Rank	Percentage of County Employment	Employees	Rank	Percentage of County Employment		
School District of Hillsborough County	25,173	1	3.912%	25,900	1	4.025%		
MacDill Air Force Base	19,978	2	3.104%	19,978	2	3.104%		
University of South Florida	14,013	3	2.178%	6,398	5	0.994%		
Hillsborough County Government	9,336	4	1.451%	10,000	3	1.554%		
Publix Supermarkets	7,732	5	1.202%	7,732	4	1.202%		
St Josephs Hospital / Bay Care Health	6,243	6	0.970%	6,243	6	0.970%		
Tampa General Hospital	5,378	7	0.836%	5,378	7	0.836%		
City of Tampa	4,151	8	0.645%	4,151	8	0.645%		
HCA West Florida	3,886	9	0.604%	3,886	9	0.604%		
US Postal Service	3,197	10	0.497%	3,197	10	0.497%		
Tampa International Airport								
James A Haley Veterans Hospital								
H. Lee Moffitt Cancer Center								
	<u>99,087</u>		<u>15.388%</u>	<u>92,863</u>		<u>14.439%</u>		

Employer	Fiscal Year							
	2013			2012				
	Employees	Rank	Percentage of County Employment	Employees	Rank	Percentage of County Employment		
School District of Hillsborough County	25,776	1	4.380%	25,554	1	4.444%		
MacDill Air Force Base	15,485	2	2.631%	15,485	2	2.693%		
Hillsborough County Government	10,212	3	1.735%	9,328	3	1.622%		
University of South Florida	9,464	4	1.608%	8,507	4	1.479%		
Tampa International Airport	7,500	5	1.274%	8,047	5	1.399%		
Tampa General Hospital	6,515	6	1.107%	6,600	7	1.148%		
Publix Supermarkets	5,714	7	0.971%	6,100	8	1.061%		
James A Haley Veterans Hospital	4,700	8	0.799%					
City of Tampa	4,278	9	0.727%	4,500	9	0.783%		
H. Lee Moffitt Cancer Center	4,187	10	0.711%					
Verizon				7,850	6	1.365%		
University of South Florida								
HCA West Florida								
St Josephs Hospital / Bay Care Health				4,437	10	0.772%		
	<u>93,831</u>		<u>15.943%</u>	<u>96,408</u>		<u>16.766%</u>		

Employer	Fiscal Year											
	2016			2015			2014					
	Employees	Rank	Percentage of County Employment	Employees	Rank	Percentage of County Employment	Employees	Rank	Percentage of County Employment	Employees	Rank	Percentage of County Employment
School District of Hillsborough County	26,195	1	4.071%	26,000	1	4.191%	26,004	1	4.293%			
MacDill Air Force Base	18,853	2	2.930%	14,500	2	2.337%	14,500	2	2.394%			
University of South Florida	8,968	4	1.394%	11,269	4	1.816%	10,837	3	1.789%			
Hillsborough County Government	9,846	3	1.530%	10,268	3	1.655%	9,355	4	1.544%			
Publix Supermarkets	6,969	6	1.083%	6,964	6	1.122%	6,826	6	1.127%			
St Josephs Hospital / Bay Care Health	5,869	7	0.912%	4,927	5	0.794%						
Tampa General Hospital	7,819	5	1.215%	6,900	7	1.12%	6,500	7	1.073%			
City of Tampa	4,101	9	0.637%	4,364	8	0.703%	4,000	10	0.660%			
HCA West Florida	4,171	8	0.648%	3,500	9	0.564%						
US Postal Service	3,154	10	0.490%	3,284	10	0.529%						
Tampa International Airport							7,500	5	1.238%			
James A Haley Veterans Hospital							4,700	8	0.776%			
H. Lee Moffitt Cancer Center							4,187	9	0.691%			
	<u>95,945</u>		<u>14.969%</u>	<u>91,976</u>		<u>14.825%</u>	<u>94,409</u>		<u>15.585%</u>			

Employer	Fiscal Year											
	2011			2010			2009					
	Employees	Rank	Percentage of County Employment	Employees	Rank	Percentage of County Employment	Employees	Rank	Percentage of County Employment	Employees	Rank	Percentage of County Employment
School District of Hillsborough County	25,226	1	4.526%	24,957	1	4.467%	25,272	1	4.452%			
MacDill Air Force Base	15,485	2	2.778%	13,300	2	2.380%	13,300	2	2.343%			
Hillsborough County Government	10,034	3	1.800%	12,246	3	2.192%	12,246	3	2.157%			
University of South Florida	8,353	4	1.499%									
Tampa International Airport	8,060	5	1.446%	7,500	5	1.342%	7,500	6	1.321%			
Tampa General Hospital	6,700	7	1.202%	6,020	7	1.077%	6,020	7	1.061%			
Publix Supermarkets	5,823	8	1.045%	5,823	8	1.042%	5,714	8	1.007%			
James A Haley Veterans Hospital							4,900	9	0.863%			
City of Tampa	4,246	10	0.762%	4,525	9	0.810%	4,154	10	0.732%			
Verizon	7,850	6	1.408%	7,850	4	1.405%	7,850	5	1.383%			
University of South Florida				6,151	6	1.101%	8,600	4	1.515%			
HCA West Florida												
St Josephs Hospital / Bay Care Health				4,437	10	0.794%						
	<u>96,214</u>		<u>17.262%</u>	<u>92,809</u>		<u>16.611%</u>	<u>95,556</u>		<u>16.834%</u>			

Sources: State of Florida, Department of Labor and Employment Statistics  
 City-County Planning Commission

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA  
 SCHOOL BUILDING INFORMATION & FULL-TIME EQUIVALENT ENROLLMENT DATA  
 LAST TEN FISCAL YEARS  
 (unaudited)

	Acquired Date	Square Footage	Full-Time Equivalent Enrollment Data									
			2018-19	2017-18	2016-17	2015-16						
<b>Elementary Schools</b>												
Alafia Elementary	1980	97,946	630,3971	625,0974	617,0891	608,5700	580,1000	574,4524	572,9850	569,8300	598,1500	623,2236
Alexander Elementary	1950	74,761	577,0730	565,3826	612,0000	606,0400	631,5000	618,5000	661,0000	634,0000	646,0102	655,3254
Anderson Elementary	1954	56,915	377,1969	403,5488	399,5060	381,0000	631,5200	355,5000	348,5000	380,5400	391,5402	411,0000
Apollo Beach Elementary	1981	93,256	634,9298	608,0760	675,1600	702,0400	697,9970	643,4741	594,6800	557,1800	532,6800	558,6400
Bailey Elementary	2007	91,731	747,8988	720,1457	774,6462	779,5400	761,0000	752,0228	744,6300	713,5200	688,4500	616,0700
Ballast Point Elementary	1924	79,932	487,9760	454,0156	452,0000	421,5100	415,5000	401,1800	372,6000	391,6100	402,1600	387,6500
Bay Crest Elementary	1969	86,974	640,0079	702,6410	716,0600	723,0000	732,5000	765,0000	799,0035	793,5484	829,3655	817,8050
Bellamy Elementary	1973	95,254	602,5588	620,4726	685,5200	668,5400	708,0000	680,4842	712,0800	757,0000	743,4600	801,5000
Bevis Elementary	1998	96,558	836,3686	849,4694	870,2200	802,6600	806,8000	803,2200	801,6600	820,6000	838,5800	860,8984
Bing Elementary	1989	95,484	455,1411	493,0132	554,1000	600,6000	573,2300	590,4385	592,8350	574,0800	611,8050	602,6286
Boyette Springs Elementary	1990	104,130	824,1645	730,2550	736,0800	576,5200	554,5000	551,9798	560,1600	563,6000	641,6600	663,5400
Brooker Elementary	1961	112,161	933,7153	967,1040	918,5800	911,5200	918,5585	892,1400	869,1200	919,0800	963,2600	957,1800
Broward Elementary	1926	51,686	381,0718	374,4674	386,5000	377,1995	388,0000	389,5000	387,0300	382,0000	377,5400	381,5400
Bryan Plant City Elementary	1924	83,419	667,0103	675,2662	743,5800	764,5900	759,0900	743,2000	698,0400	714,0600	715,5800	721,0200
Bryant Elementary	2001	102,303	948,2025	931,6385	958,2000	976,6500	979,1900	965,1018	1,026,2000	1,014,7600	989,8900	995,7000
Buckhorn Elementary	1976	104,890	733,8147	715,5229	703,5804	676,5900	648,0400	665,5700	695,0400	676,5600	633,6536	634,8100
Burney Elementary	1923	55,080	326,9174	319,8522	326,1100	319,1752	348,6200	337,1000	332,5200	345,0000	331,9490	325,5800
Cahoon Elementary	1952	60,932	-	207,0071	402,8977	415,0800	427,9371	413,1400	388,0500	360,3600	373,3200	370,0000
Cannella Elementary	1989	103,281	674,3561	702,1941	702,1034	712,5600	715,3941	711,0400	658,5600	735,5300	770,4750	772,9524
Carrollwood Elementary	1961	95,779	724,0175	775,4726	821,2000	797,5500	785,0600	755,5785	727,4700	720,0600	714,1151	724,1200
Chiaromonte Elementary	1955	64,904	369,7497	349,4716	365,7200	372,0600	391,9600	392,0600	399,5200	378,0000	371,0000	398,5400
Chiles Elementary	1996	97,620	868,7400	891,8270	914,0100	842,5068	844,5400	787,5800	782,5700	749,5500	763,4264	721,6000
Cimino Elementary	2001	102,855	873,6719	864,3160	844,6071	889,1600	832,6000	800,5800	815,6800	791,8900	877,1900	936,3000
Citrus Park Elementary	1911	80,625	544,5808	527,2680	563,1100	577,7500	556,6200	588,6500	605,3200	647,2700	655,2400	680,3000
Clair-Mel Elementary	1960	87,319	493,4350	503,0245	553,6508	585,2160	556,6600	543,0552	524,0100	515,6102	537,1151	539,1500
Clark Elementary	1996	107,444	807,7821	883,9491	870,5900	854,1000	793,5800	808,1300	829,5400	831,5400	832,9330	836,9198
Claywell Elementary	1980	106,930	676,4485	703,1829	756,9524	785,5000	780,4368	747,6000	760,5400	711,0400	725,5000	728,0500
Cleveland Elementary	1926	44,231	302,5865	318,3718	372,5700	342,1800	368,3800	371,0932	359,7700	325,8700	298,8600	324,0700
Collins Elementary	2004	102,386	988,4445	952,8874	1,053,6000	1,061,2448	1,084,7100	1,020,0800	955,0400	930,5000	882,1518	882,2600
Colson Elementary	1990	92,715	680,0491	703,5871	635,1800	670,2000	677,1200	700,0800	688,6000	716,1885	727,6900	718,1917
Cork Elementary	1879	100,813	646,8608	644,7715	702,6200	697,7000	718,5488	694,5600	703,2000	694,4750	670,6400	672,8300
Corr Elementary	2000	88,445	720,9948	742,4369	730,8001	771,5000	747,0602	708,5437	773,9651	826,8801	773,0900	732,1100
Crestwood Elementary	1967	94,219	868,2234	903,9106	969,5600	897,5000	902,0000	890,0400	911,0400	965,0600	991,0300	958,0800
Cypress Creek Elementary	1990	113,683	840,6522	849,6580	754,7200	698,6000	646,7000	1,132,8427	1,138,5200	1,088,0000	1,079,0400	971,7835
Davis Elementary	2004	93,577	735,2458	801,6728	830,7820	803,5000	837,5400	795,5400	805,0200	778,5000	771,5200	801,6200
Deer Park Elementary	2006	84,619	880,1409	930,4361	996,7300	929,5600	979,5606	955,0800	1,032,6800	990,6800	978,1600	951,0400
Desoto Elementary	1910	34,413	225,9478	225,9478	233,5717	225,0600	249,1100	213,5000	186,0600	199,5200	173,0000	199,5800
Dickenson Elementary	1963	79,095	561,8139	591,3363	566,5800	568,5700	552,0800	556,0600	570,0600	574,6428	530,1400	532,3000
Doby Elementary	2003	81,193	757,6734	752,7508	854,2500	850,5785	795,1600	797,6400	687,7300	708,2800	675,1401	610,5617
Dover Elementary	1912	121,146	609,3340	646,1554	676,8600	668,1200	693,5600	698,6850	706,6400	826,5600	799,0400	770,7352
Dunbar Elementary	1926	38,199	263,6819	259,4547	247,5000	248,0534	253,6400	229,0000	247,5000	254,5000	250,0000	257,0000
Edison Elementary	1925	65,947	357,6669	386,3620	430,4116	450,1100	483,5800	456,1572	482,7200	454,2202	458,1400	467,0784
Egypt Lake Elementary	1955	66,628	477,5481	509,9990	492,0800	539,5400	518,6000	492,6450	504,1000	508,4562	528,7277	480,3200
Essrig Elementary	1985	86,338	617,2858	632,8460	679,2208	672,0800	667,6000	688,1500	743,0300	775,5400	801,6600	832,1200
Fishhawk Creek Elementary	2003	99,450	1,013,8998	1,005,4730	920,6800	951,7800	991,6306	997,8600	1,045,2000	1,055,6700	1,027,6750	1,057,4000
Folsom Elementary	1990	83,439	471,6950	478,8796	532,5000	575,5200	542,0200	542,5400	533,0100	523,0200	539,6500	561,5500
Forst Hills Elementary	1954	110,098	654,6494	855,3924	961,4400	1,060,0600	1,021,5800	960,6000	929,5600	926,1000	915,9000	963,1256
Foster Elementary	1953	76,186	436,1369	455,4516	492,5000	510,5200	528,1158	474,4900	493,5000	451,5000	491,0000	470,6300
Frost Elementary	2004	93,019	548,4280	561,5127	597,1030	535,9569	827,6119	768,0400	722,5118	709,7003	803,5950	846,1900
Gibson Elementary	1959	97,760	537,7403	544,2549	595,6600	596,7000	597,7000	565,7000	545,7800	563,0900	588,5700	569,1500
Gorrie Elementary	1899	59,929	560,8784	585,1787	591,0152	570,6000	564,0800	563,5970	569,0600	568,1000	564,1800	559,0600
Grady Elementary	1958	69,813	514,9087	483,4252	480,2100	446,0400	438,5400	454,6000	422,6300	402,2100	394,5400	396,6968
Graham Elementary	1922	45,982	335,6921	332,8984	348,4600	364,5800	343,7600	304,7300	290,3200	343,9400	351,1700	382,2440
Hammond Elementary	1985	83,551	706,3719	713,2585	696,8172	702,8036	687,1018	725,0800	697,1000	639,0850	608,5700	641,6600
Heritage Elementary	2000	66,504	543,7290	670,2130	689,0800	671,0236	645,5900	637,5266	584,7706	607,5400	603,0600	581,5200
Hunters Green Elementary	1990	124,370	701,1671	727,7586	807,9200	816,5480	839,1533	839,7108	838,0880	837,1700	854,2020	835,1818
Ippolito Elementary	2001	83,325	536,4097	535,9287	558,5800	518,1000	783,5600	854,5470	847,3884	841,8050	774,0150	736,0800

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SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA  
 SCHOOL BUILDING INFORMATION & FULL-TIME EQUIVALENT ENROLLMENT DATA  
 LAST TEN FISCAL YEARS  
 (unaudited)

	Acquired Date	Square Footage	Full-Time Equivalent Enrollment Data				2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
			2018-19	2017-18	2016-17	2015-16						
<b>Elementary Schools</b>												
Jackson Elementary	1926	56,590	505,4723	507,5250	521,0600	539,5400	533,6000	503,5200	478,0600	474,0000	484,0000	432,5818
James Elementary	1964	89,953	602,8025	672,7206	669,1200	632,0400	671,5400	621,3200	627,9500	647,8750	730,4050	714,8268
Just Elementary	1959	74,282	246,6158	282,5971	256,5800	431,1600	508,1050	591,5625	503,6600	472,7000	475,7200	528,0800
Kenly Elementary	1927	73,140	473,6415	514,5116	541,6200	558,5900	514,4785	488,4885	511,0350	477,6900	465,1200	440,5000
Kimbell Elementary	2007	62,389	464,1634	488,5876	564,1000	548,5000	540,5000	551,0000	441,5000	422,5000	481,5000	507,5000
Kingswood Elementary	1967	70,704	441,8525	457,4733	559,6700	631,5400	609,0000	613,2800	651,9800	642,0400	656,1800	618,7400
Knights Elementary	1976	97,699	712,2535	700,6339	711,2434	736,1000	712,5000	669,6002	650,8000	666,1200	639,1250	591,6800
Lake Magdalene Elementary	1946	109,683	757,9465	802,6642	870,4709	874,5600	851,0400	854,5800	852,0504	884,6400	904,6600	879,6134
Lamb Elementary	2012	95,427	689,8123	675,4294	689,2200	629,0600	-	-	-	-	-	-
Lanier Elementary	1956	65,904	340,5809	313,4541	353,9200	387,2266	356,4418	345,5652	354,7050	351,7900	337,0500	352,7000
Lewis Elementary	1958	98,606	764,7578	738,6177	826,4570	841,2480	828,4585	801,0400	783,5200	764,0000	744,0700	738,6000
Limona Elementary	1971	66,942	622,4565	639,8044	599,9171	582,1034	554,4352	486,5000	468,5200	476,5200	526,5600	493,1200
Lincoln Elementary	1923	54,771	437,6269	403,0041	392,9918	385,5000	387,0000	379,0668	378,0400	379,5200	371,0000	369,1600
Lithia Springs Elementary	1990	93,917	639,9468	625,7521	632,3070	582,7334	603,0500	615,5600	585,0600	606,0000	630,6150	603,6000
Lockhart Elementary	1951	117,671	386,3325	363,0282	350,1400	347,6600	312,0600	360,8900	347,2200	358,5800	433,3884	453,5900
Lomax Elementary	1907	48,799	398,1081	379,2886	370,5000	382,5000	366,5000	353,5000	365,5000	335,0000	374,5000	364,5000
Lopez Elementary	1961	80,747	527,4637	478,4124	461,0700	445,5600	473,0285	478,5400	500,5000	561,2052	583,4702	628,2600
Lowry Elementary	1991	123,836	957,4097	969,4777	994,2200	914,6000	842,5400	768,0400	915,0600	942,0400	926,5200	864,6400
Lutz Elementary	1920	95,769	628,8532	540,0009	637,2360	622,5400	629,1900	590,0900	587,5000	615,0000	668,5800	677,6200
Mabry Elementary	1926	93,328	829,8045	778,4419	765,8602	753,0400	770,0885	785,8100	793,7350	752,8000	782,5687	789,6300
Macfarlane Elementary	1925	43,667	361,9013	364,0962	360,5000	370,0000	364,5000	362,0000	363,5000	366,5000	368,5200	364,0000
Mango Elementary	1927	91,818	710,8711	695,0433	770,2600	771,8600	784,9400	703,7085	691,6900	680,8100	731,7700	619,1468
Maniscalco Elementary	1987	104,406	606,2392	526,3221	550,5600	550,0200	524,0600	536,5000	541,5000	565,0200	603,0400	631,5600
Mcdonald Elementary	1976	70,487	520,0018	585,8944	593,0600	616,0000	578,0800	591,1400	538,5400	502,5800	473,1000	483,0000
Mckittrick Elementary	1999	108,748	915,2971	893,4015	972,5200	959,9400	1,010,8698	995,4798	1,006,0130	977,1600	985,6100	926,2000
Mendenhall Elementary	1947	91,778	536,1533	601,8384	651,7134	692,5000	697,4312	676,4200	664,0600	659,5600	657,0200	588,5000
Miles Elementary	1954	80,339	481,6057	840,3904	863,0400	809,5600	804,0600	796,5400	698,5000	627,4665	690,0200	733,5100
Mintz Elementary	1990	106,420	825,3926	843,4672	864,2400	845,1000	850,1800	826,7200	807,6400	795,1200	867,0650	865,7300
Mitchell Elementary	1915	69,390	750,7352	735,3620	736,8636	675,2636	639,6402	615,4370	576,4465	604,9402	576,0350	578,1000
Morgan Woods Elementary	1967	62,805	424,8869	446,3876	498,5200	536,2017	513,0000	550,5000	542,5800	529,4252	531,9665	572,0000
Mort Elementary	1965	98,153	851,4118	830,8916	869,6200	832,5000	856,5300	817,1400	789,6700	801,9401	790,5150	724,1106
MOSI Partnership Elementary	n/a	n/a	n/a	153,5283	273,4585	262,5200	254,5400	241,9602	247,8168	220,5000	223,0000	280,5000
Muller Elementary	2001	59,812	384,7115	359,6433	366,5000	340,0200	343,5000	332,0000	335,0400	332,0800	352,0000	306,0000
Nelson Elementary	2002	90,441	777,0251	804,8351	808,8636	826,5200	831,2200	768,2200	780,5800	798,2100	826,7400	880,2400
Northwest Elementary	1984	100,694	638,9463	609,3663	634,8000	635,2400	643,6600	654,6200	619,6200	657,6400	681,6200	684,6000
Oak Grove Elementary	1946	106,096	750,3261	808,2612	855,7400	824,5800	797,6400	868,1796	802,0801	778,5400	841,5053	890,9769
Oak Park Elementary	2005	77,678	537,4782	571,6774	559,0600	553,6000	569,0100	588,6000	547,5600	600,3300	584,5000	523,5000
Palm River Elementary	1948	79,486	409,5368	458,3404	502,0600	486,0987	510,6600	514,1600	487,0850	481,5400	492,0700	475,0000
Pinecrest Elementary	1936	103,714	517,5655	533,3123	560,0800	563,6170	565,6400	541,5200	511,0600	543,2000	573,7000	604,3400
Pizzo Elementary	1996	99,289	865,1624	703,0710	757,0000	768,9403	746,1767	697,4765	630,0000	589,5551	621,0300	643,0000
Potter Elementary	1960	79,440	462,0338	492,4066	581,1800	591,8100	581,1200	579,7100	543,2000	536,2200	541,2202	556,8800
Pride Elementary	1999	98,360	716,4573	949,9913	945,3436	949,6168	921,7100	897,0200	897,1300	890,1400	870,2800	902,7500
Reddick Elementary	2006	92,585	818,2841	870,5996	860,2000	839,1385	808,6900	797,6000	747,3760	731,1600	667,1551	597,1800
Riverhills Elementary	1962	56,578	473,1183	448,5029	409,8904	396,5000	364,0000	284,0600	316,1200	342,0300	384,5000	429,6524
Riverside Elementary	1960	96,066	486,2373	480,0274	539,2900	561,2064	578,2000	600,8400	592,1200	594,1900	614,2600	629,2170
Robinson Elementary	1959	95,298	637,1369	653,2279	636,7700	614,1500	655,7134	562,1100	551,4385	586,1702	601,2300	634,5800
Robles Elementary	1959	78,793	681,5814	657,5868	794,3500	717,1700	658,6817	638,6452	633,8300	617,0200	494,6902	548,5400
Roosevelt Elementary	1925	73,305	716,5211	706,1945	702,5870	683,5970	707,6385	707,7700	706,6600	686,0400	684,5451	647,7400
Ruskin Elementary	1942	104,150	753,3172	793,7445	902,6600	844,6100	817,0760	1,071,5800	986,5800	992,0700	937,1932	869,1800
Schmidt Elementary	2002	87,632	581,3301	624,6523	634,0400	614,5485	605,8434	609,1300	643,5200	650,0000	600,5000	666,1004
Schwarzkopf Elementary	1991	91,118	609,3328	631,9182	656,5800	646,1700	629,6300	640,6000	601,6127	610,2100	610,7500	585,4100
Seffner Elementary	1961	96,181	503,3383	569,3386	667,4300	700,7000	703,0700	732,5200	687,4400	664,5600	658,1000	627,6900
Seminole Elementary	1921	72,158	402,0303	394,4363	447,5301	472,1728	458,6000	455,3244	431,9052	436,1100	418,6000	390,1400
Sessums Elementary	2002	108,721	985,9815	1,052,6808	1,131,5052	1,056,1800	955,0400	813,6400	807,6200	817,3260	850,1860	887,5600
Shaw Elementary	1971	80,176	667,8029	707,4073	674,6400	740,9854	637,0200	601,0950	554,0000	550,4851	593,9950	591,5000
Sheehy Elementary	2001	66,273	293,5114	385,2241	440,0600	424,0600	399,6800	406,1400	422,3031	456,6100	409,1000	491,0600
Shore Elementary	1928	63,073	424,7805	393,3540	383,5000	370,0000	356,0000	382,0000	377,4789	366,5000	387,0000	367,5000
Springhead Elementary	1914	82,453	827,6644	895,5996	903,6300	871,1600	830,7500	808,1400	766,6200	740,6150	732,2000	761,0800
Stowers Elementary	2008	87,686	794,3459	827,8951	1,093,1600	1,067,1200	969,5000	875,7800	798,7000	708,6000	663,5400	557,6100
Sullivan Partnership (formerly Metropol	2010	n/a	83,8083	91,4114	115,0000	104,0000	76,0000	65,5000	64,5000	64,0000	68,5000	78,0000
Summerfield Crossings Elementary	2005	82,291	876,6991	839,5559	862,1700	952,5800	924,7000	878,7200	901,7000	880,1100	914,6900	936,0968

(continued)

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA  
 SCHOOL BUILDING INFORMATION & FULL-TIME EQUIVALENT ENROLLMENT DATA  
 LAST TEN FISCAL YEARS  
 (unaudited)

	Acquired Date	Square Footage	Full-Time Equivalent Enrollment Data				2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
			2018-19	2017-18	2016-17	2015-16						
<b>Elementary Schools</b>												
Summerfield Elementary	1989	123,550	764,0573	784,1765	866,6200	943,0690	871,9948	832,6600	807,5800	831,6800	847,9100	929,5000
Symmes Elementary	1999	81,828	526,4600	570,0906	626,5000	618,0000	645,0000	646,5000	585,0000	545,1400	607,5800	608,6400
Tampa Bay Boulevard Elementary	1924	74,878	639,2546	663,8507	749,0200	736,1200	749,0584	719,5600	689,5900	652,5000	627,5338	670,3224
Tampa Heights Elem. Mag. (formerly Le	1906	46,698	275,7369	303,3825	293,3266	314,9170	289,4823	258,5000	253,2823	248,0000	334,0000	326,0000
Tampa Palms Elementary	1987	122,485	898,4581	908,4257	951,1234	915,8985	850,0000	825,5000	769,5000	765,5400	760,6400	754,5400
Temple Terrace Elementary	1955	94,526	614,3544	658,5915	611,0150	565,0000	601,5000	620,1817	618,0000	617,0200	680,0000	689,5000
Thompson Elementary	2003	93,718	760,6850	777,7625	815,2517	836,6400	832,6185	-	-	-	-	-
Thonotosassa Elementary	1961	58,058	373,7116	397,8102	339,1300	319,1800	337,0800	374,7000	402,2300	397,7400	397,1400	406,5900
Tinker Elementary	1939	80,295	-	-	741,2976	683,4550	552,5000	556,8082	536,5000	640,5800	656,0400	588,0200
Town & Country Elementary	1961	76,873	368,3094	348,4202	364,0800	371,6000	398,5400	441,4355	428,5601	442,9950	426,5600	440,7776
Trapnell Elementary	1931	69,537	505,2374	534,3682	557,1000	522,6400	509,6400	544,5737	479,6000	457,1600	479,7200	504,6500
Twin Lakes Elementary	1926	89,553	698,9335	667,4408	734,6000	704,5700	687,1100	689,4900	659,0800	662,4700	621,0000	627,5000
USF/Patel Partnership	2009	n/a	-	143,4116	197,0000	203,0000	202,5000	200,5200	177,3102	151,0000	167,0000	158,5000
Vairico Elementary	1993	113,930	785,4483	789,7142	838,4667	825,8334	826,3000	788,5452	855,5400	823,1100	887,6700	896,6800
Walden Lake Elementary	1990	114,855	819,3767	817,1748	877,6968	894,0800	889,0400	850,0200	854,5200	872,6000	862,1600	858,3368
Warren Hope Dawson Elementary	2016	94,358	634,1590	492,5871	-	-	-	-	-	-	-	-
Washington Elementary	1925	62,725	418,0306	429,8951	496,1900	508,1500	465,5950	458,5800	470,7200	492,1300	461,0400	419,6500
West Tampa Elementary	1985	93,054	348,9256	377,5827	396,6467	470,6335	492,1214	466,1664	438,6500	432,6600	408,2350	424,6900
Westchase Elementary	1997	126,213	912,8905	953,7047	951,1400	955,1600	905,0400	931,6700	981,1000	1,009,7000	1,046,7600	1,034,7152
Westshore Elementary	1926	44,919	361,2204	361,0430	383,0600	334,6800	298,5200	285,1100	289,0500	288,0600	303,0800	293,1468
Wilson Elementary	1924	43,592	318,4521	319,6342	353,0400	379,0200	333,5600	337,0900	352,1200	333,6300	330,0800	362,5600
Wimauma Elementary	1926	68,117	567,8210	569,9161	612,5900	600,2530	540,6000	507,1000	487,9270	464,5600	451,5400	458,5000
Witter Elementary	1959	71,601	526,9705	471,0795	513,6202	549,7200	506,6400	500,5100	445,2500	487,7996	537,0518	473,1568
Woodbridge Elementary	1971	76,094	648,6253	603,2654	612,5200	643,0000	597,5000	586,0000	576,5000	572,5000	578,5000	569,0000
Yates Elementary	1953	100,545	666,5752	698,7583	744,5750	734,1500	725,6200	672,0400	703,6300	744,0450	795,2800	779,1600
Total Elementary Schools			84,825,2573	86,770,9938	91,246,0632	90,733,6748	89,150,9768	87,401,8456	86,140,4082	86,084,5449	87,134,8692	86,934,8704
<b>Middle Schools</b>												
Adams Middle	1957	127,652	825,9560	729,8877	770,5000	890,8420	1,016,9419	1,106,8014	1,219,4186	1,243,2514	1,245,3352	1,290,1000
Barrington Middle	2008	144,125	1,517,6680	1,435,4420	1,360,7640	1,340,0386	1,242,2954	1,214,9074	1,159,5040	1,067,2522	996,9178	888,8536
Bartels Middle	2001	124,320	-	-	-	-	-	845,3070	885,5004	831,0020	877,2112	899,3000
Benito Middle	1995	151,974	1,079,7800	1,073,9600	1,049,3200	1,047,3351	1,048,2816	1,038,2170	1,073,8468	1,126,3348	1,112,4178	1,125,0332
Buchanan Middle	1960	122,595	723,0000	742,6814	698,1714	691,7442	742,2336	738,8000	740,5004	717,5012	749,2502	777,0000
Burnett Middle	1993	165,277	792,9582	733,2964	745,2688	719,6356	877,8800	890,9296	1,017,8348	1,014,0000	985,3008	969,3000
Burns Middle	1980	162,043	1,311,8457	1,308,4188	1,227,2984	1,241,1246	1,261,7124	1,272,5988	1,340,5008	1,343,2531	1,387,7526	1,464,6100
Coleman Middle	1958	110,097	1,021,0634	970,7100	960,9400	920,3105	919,1991	864,7951	930,8356	932,0844	944,0866	932,5000
Davidson Middle	1998	125,167	1,088,9742	1,098,9030	1,092,2230	957,6030	959,1155	970,3246	1,034,8344	1,135,2840	1,108,4924	1,099,5000
Dowdell Middle	1959	117,716	625,4120	611,0000	544,7400	609,0000	615,0000	603,7904	655,0000	663,0000	628,5000	652,3400
Eisenhower Middle	1954	162,143	1,319,7079	1,254,1348	1,252,7612	1,202,2534	1,288,1352	1,266,0286	1,366,2502	1,425,3304	1,460,5941	1,434,4830
Farnell Middle	2000	132,288	1,223,3380	1,229,6046	1,215,1800	1,366,1412	1,359,7408	1,391,6432	1,368,9182	1,268,1696	1,223,4186	1,199,6000
Ferrell (Girls) Middle Magnet	1933	94,040	577,4122	573,5000	530,0000	493,9434	404,5000	401,3584	348,8604	300,0000	323,5000	361,0000
Franklin (Boys) Middle Magnet	1926	98,915	551,5520	539,3561	501,3018	483,0368	418,1020	408,5855	346,5000	279,0000	550,9170	565,0000
Giunta Middle	2004	139,473	831,5221	882,0934	875,0000	882,6388	949,1980	986,9720	973,2502	1,022,0000	1,054,7502	1,171,0000
Greco Middle	1955	139,312	619,9120	693,5000	740,5000	731,6840	860,0000	888,3460	934,2510	931,5000	913,3726	901,9600
Hill Middle	1980	158,196	1,005,9016	955,0110	872,8460	837,1412	874,7819	932,4800	967,1672	1,010,0012	963,0842	988,9000
Jennings Middle	2001	128,267	823,8576	812,8082	714,1322	706,5000	785,4800	839,5000	863,0000	916,2938	935,5000	974,5000
Liberty Middle	2000	129,454	1,159,6528	1,214,6680	1,250,1892	1,235,5800	1,200,2514	1,077,8400	1,103,4174	1,191,5000	1,214,8340	1,192,0474
Madison Middle	1950	108,217	585,0000	641,8000	632,8280	688,4634	755,6400	801,9000	779,5000	798,4167	781,5000	738,0000
Mann Middle	1957	135,985	958,0702	974,2012	982,8506	1,018,0558	1,096,8868	1,135,8400	1,154,0000	1,141,8328	1,022,0012	1,090,7000
Marshall Middle	1956	152,662	887,8588	876,7770	827,9035	816,5000	852,7352	818,7352	841,0000	865,6672	900,8340	881,1000
Martinez Middle	1999	113,231	1,185,2670	1,182,3602	1,223,6402	1,135,6142	1,123,8202	1,060,0401	1,088,0036	1,085,8352	1,130,0008	1,052,7070
Mclane Middle	1914	132,200	650,3949	654,5524	730,3264	697,4300	786,3910	898,4200	1,015,5000	1,028,5000	1,028,2514	1,057,0000
Memorial Middle	1925	115,944	641,7200	633,3400	646,0000	638,0000	670,4800	698,0000	710,8332	704,5008	779,4190	794,5000
Monroe Middle	1956	123,128	422,7834	400,4860	425,4861	395,2800	511,9292	527,4880	588,5000	627,0000	602,0830	609,3000
Mulrennan Middle	2002	124,207	1,334,4814	1,266,4298	1,184,5243	1,131,1665	1,136,4261	1,133,5909	1,179,4190	1,213,0846	1,146,9178	1,088,3000
Orange Grove Middle	1926	80,097	546,5668	513,9482	544,4508	527,7798	573,5000	553,2600	552,7685	527,6714	525,9170	557,0000
Pierce Middle	1953	132,810	932,0000	925,4200	943,8000	926,1272	978,0000	1,047,8762	1,032,6676	1,067,9170	1,049,0000	1,021,0000
Progress Village Middle	1959	144,535	924,6152	899,8072	905,7912	864,2317	856,9806	845,7960	828,1484	804,0004	777,9174	781,8340
Randall Middle	1997	140,552	1,401,4548	1,439,7048	1,388,4258	1,386,4620	1,343,9674	1,334,5155	1,331,4046	1,337,0212	1,340,8340	1,286,4446
Rodgers Middle	1996	163,701	758,2203	752,9256	730,3736	688,3019	726,0800	739,9706	901,5000	986,5664	1,014,7532	937,5000
Shields Middle	2001	138,397	1,614,5000	1,438,1668	1,420,5000	1,293,6996	1,507,7544	1,483,4850	1,485,0000	1,409,8340	1,393,7540	1,334,1000
Sligh Middle	1949	122,229	564,9962	599,5000	505,0000	469,0000	580,3401	641,3601	740,9835	693,5000	631,0000	692,5000
Smith Middle	1911	119,218	747,2214	753,6358	795,1480	803,9848	850,9164	949,4056	1,046,0000	1,109,4254	1,094,5000	1,034,7000
Stewart Middle	1954	119,687	1,012,0940	1,021,3994	1,015,5000	939,4543	929,3262	843,6050	848,5000	918,9178	890,0000	910,5000

(continued)

**SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA**  
**SCHOOL BUILDING INFORMATION & FULL-TIME EQUIVALENT ENROLLMENT DATA**  
**LAST TEN FISCAL YEARS**  
(unaudited)

	Acquired Date	Square Footage	Full-Time Equivalent Enrollment Data				2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
			2018-19	2017-18	2016-17	2015-16						
<b>Middle Schools</b>												
Tamlin Middle	1950	166,744	1,683,9618	1,527,9404	1,515,2472	1,560,4859	1,620,7912	1,610,6975	1,588,2526	1,579,0024	1,473,7502	1,434,7498
Turkey Creek Middle	1929	131,314	1,015,4706	981,5000	979,4708	981,7400	1,016,4874	1,038,6000	978,9186	993,0004	1,032,0000	1,086,1000
Van Buren Middle	1952	118,528	-	373,9800	421,0000	456,5000	544,4600	582,4200	589,5000	646,8034	594,0000	590,5000
Walker Middle	1985	142,694	955,0000	966,0000	1,015,5000	1,005,0000	969,5000	887,4862	800,6672	732,1050	647,8040	650,9399
Webb Middle	1968	110,394	742,8096	781,5000	794,5000	823,3200	877,9000	850,0000	881,5000	870,4600	819,0000	758,5000
Williams Middle	1994	132,153	818,5000	838,0000	839,5000	862,4600	852,5000	789,2670	741,5000	790,5000	801,6664	806,5000
Wilson Middle	1915	71,455	655,5690	685,3918	666,0413	635,5522	592,0294	562,3007	599,3368	619,4175	621,0008	631,5000
Young Middle	1963	134,411	654,6192	600,5000	588,0000	597,0000	562,5234	555,0000	553,2510	574,9190	661,0000	677,4400
Total Middle Schools			38,791,7783	38,585,2420	38,122,8438	37,808,2517	39,140,1938	40,146,2846	41,148,0450	41,542,6567	41,434,1399	41,401,4425
<b>K-8 Schools</b>												
Rampello Downton K-8 School	2002	140,645	767,3266	757,0246	747,4136	764,8592	767,8768	762,9296	746,5000	692,5000	630,5719	672,0400
Roland Park K-8 School	1963	119,119	757,8917	762,0545	790,8901	797,5000	801,9400	753,3800	669,3857	527,9800	536,5151	610,0000
Sulphur Springs K-8 School	1912	120,914	776,4473	745,0387	677,9900	693,6232	583,3400	561,8602	629,3200	542,9100	549,4500	500,0452
Tinker K-8 School	1939	80,295	620,2707	693,4510	2,057,5101	2,089,6616						
Turner Bartels K-8 School	2001	233,137	1,787,7253	1,898,6879	1,896,1694	1,865,8200	1,803,3596	1,121,7400	1,065,2925	974,8600	896,2200	876,6500
Dr. Carter G. Woodson	2018	179,460	944,8913									
Total K-8 Schools			5,654,5529	4,856,2367	4,112,4631	4,121,8024	3,956,5164	3,199,9098	3,110,4982	2,738,2500	2,612,7570	2,664,7352
<b>High Schools</b>												
Alonso High	1999	262,768	2,505,8555	2,596,3849	2,543,8440	2,644,3480	2,571,3500	2,466,6122	2,450,0942	2,355,6573	2,365,9290	2,441,3380
Armwood Senior High	1983	333,142	2,132,3500	2,206,7497	2,166,7559	2,022,6246	1,774,1720	1,720,5358	1,681,5983	1,699,3348	1,720,1704	1,688,5204
Blake Senior High	1995	347,402	1,673,7090	1,626,3548	1,620,2166	1,659,0002	1,642,8610	1,640,9072	1,699,1600	1,565,8444	1,460,1768	1,430,7702
Bloomdale Senior High	1982	293,454	2,274,3307	2,296,6675	2,271,2189	2,218,0416	2,169,6000	2,150,7699	2,272,6644	2,366,3236	2,374,1976	2,346,0084
Brandon Senior High	1960	302,054	1,825,6780	1,906,4999	1,900,9264	1,911,1131	1,835,6215	1,896,9202	1,947,7051	1,930,9634	2,026,9310	2,191,0060
Chamberlain Senior High	1956	277,642	1,541,7085	1,588,0466	1,708,3658	1,795,1993	1,717,2538	1,768,0263	1,788,3366	1,836,9242	1,944,6712	1,969,4194
Durant Senior High	1992	283,425	2,339,0151	2,341,3613	2,361,7797	2,375,8730	2,253,0800	2,179,3573	2,194,8680	2,167,1050	2,228,5252	2,236,1820
East Bay Senior High	1971	282,604	2,204,3388	2,257,9211	2,281,8272	2,357,5413	2,276,5800	2,231,7610	2,096,5611	1,994,8421	1,965,4800	1,961,0902
Freedom Senior High	1999	286,258	1,831,3106	1,809,9848	1,987,0383	2,052,5169	2,023,6100	2,028,0564	1,969,5192	2,017,1014	2,025,4086	2,136,5116
Gaither Senior High	1983	306,290	1,989,3550	1,976,4738	2,057,5101	2,089,6616	2,060,4000	2,047,4663	1,985,3680	1,945,4333	2,002,1740	2,106,7428
Hillsborough Senior High	1927	281,760	1,839,6767	1,936,2702	1,877,9202	1,932,2912	1,913,0042	1,846,4900	1,800,8264	1,859,2514	1,902,4194	1,897,4182
Jefferson Senior High	1971	246,108	1,732,3288	1,777,7473	1,702,7923	1,638,0540	1,494,9438	1,499,0808	1,590,3184	1,666,1680	1,702,0842	1,662,5000
King Senior High	1959	258,225	1,767,2428	1,712,2518	1,749,2093	1,830,3481	1,841,8343	1,813,7031	1,784,5078	1,744,2555	1,714,8348	1,790,4402
Lennard High	2003	278,776	3,022,4118	2,853,4116	2,607,8428	2,320,3145	1,961,5295	1,883,4810	1,772,8827	1,606,9144	1,487,4313	1,381,6002
Leto Senior High	1964	296,945	2,072,4128	2,229,6302	2,205,2543	2,120,0767	1,940,6311	1,803,3546	1,690,7154	1,625,1874	1,695,3238	1,771,3126
Middleton Senior High	1999	238,495	1,573,7885	1,624,3800	1,641,7188	1,553,5334	1,419,4000	1,244,9700	1,128,5644	1,167,9190	1,130,5838	1,124,5016
Newsome Senior High	1999	281,321	2,898,0723	2,752,5256	2,612,5144	2,513,6631	2,430,4700	2,334,5757	2,326,6162	2,250,7076	2,203,9426	2,081,3444
Plant City Senior High	1971	299,905	2,243,8212	2,363,8678	2,347,5338	2,318,0120	2,252,4200	2,115,2174	2,032,1152	1,943,4504	2,002,4286	2,179,4290
Plant Senior High	1926	233,263	2,408,5559	2,350,2446	2,292,7156	2,337,1213	2,291,3800	2,308,1880	2,281,4261	2,328,6318	2,331,5116	2,288,0938
Riverview Senior High	1995	291,608	2,485,9274	2,459,9777	2,392,7796	2,418,3594	2,334,5300	2,297,8006	2,215,1706	2,265,4286	2,191,5294	2,154,7906
Robinson Senior High	1957	202,672	1,507,9325	1,600,4416	1,622,1651	1,610,1228	1,518,9538	1,530,7566	1,557,3368	1,489,0735	1,390,2697	1,331,6680
Sickles Senior High	1985	327,848	2,318,0213	2,274,3745	2,287,5302	2,210,6209	2,110,0500	2,049,4281	2,044,4277	1,959,0938	1,811,3160	1,952,2007
Spoto High	2004	229,762	1,588,8253	1,641,4995	1,622,5993	1,581,6208	1,420,2570	1,337,5768	1,258,4022	1,193,4170	1,302,0008	1,353,2502
Steinbrenner High	2006	249,297	2,381,9336	2,342,3284	2,255,7003	2,297,5269	2,293,4300	2,229,2332	2,220,0256	2,152,6816	1,996,2582	1,541,7626
Strawberry Creek High	2007	227,619	2,154,6872	2,162,5326	2,228,4755	2,228,9688	2,178,5900	2,134,8384	2,204,3476	2,001,0068	1,843,1740	1,307,3312
Tampa Bay Technical High	1967	263,228	1,997,8810	2,031,6924	1,993,4310	1,959,6228	1,990,5558	1,972,1008	2,003,9716	1,972,5840	2,040,8380	2,189,5870
Wharton Senior High	1987	301,520	2,298,5411	2,419,6392	2,349,5374	2,358,4046	2,297,8800	2,284,0106	2,360,4888	2,347,0998	2,431,6860	2,456,0990
Total High Schools			56,609,7114	57,239,2594	56,689,2028	56,354,5809	53,824,3878	52,815,2183	52,361,0184	51,452,4001	51,291,2960	50,957,8643
<b>Specialty Schools</b>												
Bowers Whitely Career Center	2001	54,179	129,8827	131,8216	114,0376	155,1992	230,9032	234,0809	289,5000	318,3104	338,5524	353,5004
Brandon Alternative	1954	37,681	45,0348	47,6434	61,6222	62,5423	65,0363	91,0960	125,1085	162,9500	186,3000	184,5000
Caminiti Exceptional Student Educator	1985	60,661	88,1361	81,8067	85,4802	108,5000	113,0000	126,5000	143,4337	153,6758	174,9008	183,7338
Carver Exceptional Center	1925	34,681	48,9087	43,7887	55,4517	56,0000	57,0004	77,5000	82,2502	81,2502	77,9170	92,0000
D. W. Waters Center	1911	74,586	95,2412	92,4394	94,2200	108,6479	128,1356	180,3244	182,9665	206,4021	198,1369	232,0560
Lavoy Exceptional Student Education	1962	49,660	74,4329	74,1973	85,3252	91,5000	97,0000	87,8351	108,0000	101,0000	111,0000	110,0000
Lopez Exceptional Student Center	1961	27,643	59,0741	63,5266	49,8501	51,0000	49,9508	55,1300	61,5000	61,5000	61,5000	61,5000
North Tampa Alternative Center	1988	25,970	52,9090	45,8000	52,0394	88,5205	102,0634	115,0220	147,0980	182,3728	185,0854	175,5000
Simmons Career Center	1923	47,828	196,4873	195,1464	167,1589	173,0000	246,0335	223,8909	252,1762	286,1061	263,4593	284,7543
South County Career Center	2000	102,850	184,7888	188,6044	187,5000	205,2219	276,5000	263,5611	293,3856	323,1487	274,7468	281,5970
Willis Peters Exceptional Center	n/a	n/a	80,6216	83,5796	90,0000	85,8650	85,5000	90,9002	101,0000	-	-	-
Total Specialty Schools			1,055,5082	1,048,3541	1,052,6853	1,185,9998	1,551,1232	1,545,8406	1,786,4187	1,815,2161	1,810,1256	1,858,5637

(continued)

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA  
 SCHOOL BUILDING INFORMATION & FULL-TIME EQUIVALENT ENROLLMENT DATA  
 LAST TEN FISCAL YEARS  
 (unaudited)

	Acquired Date	Square Footage	Full-Time Equivalent Enrollment Data				2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
			2018-19	2017-18	2016-17	2015-16						
<b>Charter Schools</b>												
A. T. Jones Science Academy	n/a	n/a	-	-	-	-	-	-	216,500	129,000	-	
Advantage Academy of Hillsborough	n/a	n/a	451,6575	-	-	-	-	-	-	-	-	
Advantage Elementary Academy	n/a	n/a	-	301,6650	296,5000	296,5000	315,0000	322,5000	337,0000	305,0000	236,0000	
Advantage Middle Academy	n/a	n/a	-	152,0000	144,5000	141,5000	138,5000	144,0000	142,5000	149,0000	109,5000	
Avant Garde Academy	n/a	n/a	381,5882	224,5075	-	-	-	-	-	-	-	
Bell Creek Adademy	n/a	n/a	647,5000	583,5000	553,5000	575,5000	590,4917	454,5000	-	-	-	
Bell Creek Adademy High School	n/a	n/a	449,5000	387,5000	338,1914	262,0000	205,0000	115,0000	-	-	-	
Bridgeprep Academy of Tampa	n/a	n/a	340,2614	323,2090	283,0000	229,9604	117,0000	-	-	-	-	
Bridgeprep Academy of Riverview	n/a	n/a	866,1803	630,1586	-	-	-	-	-	-	-	
Brooks Debartolo Collegiate	n/a	n/a	607,5872	604,5976	593,7346	576,3348	502,6672	414,0000	320,1692	286,7542	271,9750	
Catapult Academy	n/a	n/a	-	-	515,5000	427,0000	185,0000	-	-	-	-	
Channelside Academy	n/a	n/a	368,2292	348,3358	379,5000	377,0000	375,0000	353,4500	311,0000	194,5000	-	
Channelside Academy Middle School	n/a	n/a	135,0000	141,5000	170,5000	150,0000	117,0000	88,0000	55,5000	-	-	
Community Charter Middle School	n/a	n/a	-	-	-	-	89,5000	85,0000	102,5000	102,5000	-	
Community Charter School	n/a	n/a	277,1065	206,2621	190,5000	207,0000	111,0000	118,5000	291,0000	249,5000	253,5000	
Creekside Charter Academy	n/a	n/a	588,5767	-	-	-	-	-	-	-	193,0000	
East Tampa Academy	n/a	n/a	40,6003	25,9504	-	-	-	-	-	-	-	
Excelsior Prep Charter School	n/a	n/a	99,4164	70,4199	-	-	-	-	-	-	-	
Focus Adademy	n/a	n/a	108,7965	96,0000	85,5000	75,0000	53,5000	28,5000	-	-	-	
Florida Autism Charter School	n/a	n/a	129,1702	119,9830	105,1802	95,5000	93,5000	95,5000	105,0000	87,0000	69,0000	
Gates Senior High Charter School	n/a	n/a	-	-	-	-	-	-	73,5000	-	-	
Henderson Hammock Charter School	n/a	n/a	1,113,1333	1,066,3124	1,117,5000	1,110,5000	1,029,0000	881,5000	602,7083	-	-	
Hillsborough Academy Math & Science	n/a	n/a	788,4707	744,8399	805,0000	742,0000	329,0000	627,0000	-	-	-	
Horizon Charter School (Tampa Charter)	n/a	n/a	301,9500	307,2250	298,0000	268,0000	201,5000	200,0000	172,0000	165,5000	138,0000	
Independence Acad. Elem. (Shiloh Elem)	n/a	n/a	918,0184	878,6203	592,0000	486,3500	404,5000	437,0000	429,5000	411,4424	382,3852	
Independence Acad. MS (Shiloh Charter)	n/a	n/a	-	-	288,5000	278,5000	191,0000	183,8000	190,9000	181,0000	152,5000	
Kid's Community College	n/a	n/a	-	-	-	347,5000	346,0000	348,0000	346,0000	313,0000	303,5000	
Kid's Community Middle College	n/a	n/a	194,0000	162,0000	-	219,5000	210,5000	195,0000	153,0000	108,5000	64,5000	
Kid's Community Senior College	n/a	n/a	168,5000	91,0000	-	322,0000	260,0000	180,0000	115,5000	-	-	
Kid's Community College Riverview	n/a	n/a	559,4322	560,1369	562,2967	-	-	-	-	-	-	
Kid's Community College Southeast	n/a	n/a	360,9929	354,3767	400,0000	-	-	-	-	-	-	
King Kids Academy	n/a	n/a	-	-	134,5000	128,0000	103,5000	84,0000	49,5000	-	-	
Learning Gate Community	n/a	n/a	786,6714	761,7077	780,5000	775,0000	767,0000	800,5000	794,0000	798,5000	572,0000	
Literacy Leadership Tech Academy	n/a	n/a	628,2812	606,5359	604,5000	600,0000	553,5000	527,0000	294,3250	285,5000	251,5000	
Literacy Leadership Tech High	n/a	n/a	-	-	-	-	-	-	-	-	103,9500	
Lutz Preparatory School	n/a	n/a	772,8463	772,9518	781,9336	760,0000	499,5000	565,9600	476,4506	230,0000	-	
Lutz Preparatory Middle School	n/a	n/a	-	-	-	-	154,5000	-	-	-	-	
Mount Pleasant (formerly Legacy)	n/a	n/a	252,9844	236,1512	193,0000	122,0000	79,7968	97,0000	85,5000	88,0000	95,5000	
New Springs Elementary Schools	n/a	n/a	-	-	-	-	110,0000	204,0000	176,0000	99,5000	-	
New Springs Schools	n/a	n/a	447,5045	471,3483	432,0000	332,0000	136,9651	145,0000	173,5000	145,5000	104,0000	
Newpoint High of Tampa	n/a	n/a	-	-	-	-	-	-	161,1000	222,0000	204,0000	
Pepin Academy of Tampa	n/a	n/a	783,5587	765,7066	751,1726	688,6246	595,8336	568,9532	174,2510	158,1672	154,5036	
Pepin Elementary	n/a	n/a	-	-	-	-	-	-	109,0000	87,5000	85,5000	
Pepin Middle	n/a	n/a	-	-	-	-	-	-	162,5000	121,0000	111,5000	
Pepin Transitional	n/a	n/a	-	-	-	-	56,9634	61,5000	67,5000	67,9074	68,8670	
Pivot Charter School	n/a	n/a	263,9000	277,0000	276,6000	290,5000	281,6000	321,9203	232,5000	108,5000	-	
Plato Academy Tampa Charter	n/a	n/a	116,7224	76,4949	-	-	-	-	-	-	-	
RCMA Leadership Academy	n/a	n/a	113,0000	106,0000	92,0000	66,5000	52,5000	58,5000	51,5000	-	-	
RCMA Wimauma Academy	n/a	n/a	215,9750	214,6700	226,5000	229,5000	216,5000	203,5000	193,0000	224,8751	189,0000	
Seminole Heights Charter School	n/a	n/a	264,4000	254,9000	289,0000	369,5000	433,0000	441,0000	389,0000	384,9000	239,5000	
Southshore Charter Academy	n/a	n/a	1,125,0318	957,5683	801,0000	-	-	-	-	-	-	
Sports Leadership & Mgmt Academy	n/a	n/a	511,9750	376,8442	-	-	-	-	-	-	-	
Sunlake Academy Math & Science	n/a	n/a	837,5117	624,0289	-	-	-	-	-	-	-	
Tampa Bay Academy	n/a	n/a	-	-	-	-	-	-	-	88,8500	162,5000	

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SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA  
 SCHOOL BUILDING INFORMATION & FULL-TIME EQUIVALENT ENROLLMENT DATA  
 LAST TEN FISCAL YEARS  
 (unaudited)

	Acquired Date	Square Footage	Full-Time Equivalent Enrollment Data				2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
			2018-19	2017-18	2016-17	2015-16						
<b>Charter Schools</b>												
Terrace Community School	n/a	n/a	656.3340	659.4170	660.0000	659.5000						
The Collaboratory Prep Academy	n/a	n/a	86.9393	59.7066	-	-	559.0000	658.5000	659.0000	658.3668	643.5000	
The Richardson Academy	n/a	n/a	-	-	-	27.0000	162.0000	-	-	-	61.5000	
Town & Country High School	n/a	n/a	-	232.0000	226.5000	236.8750	365.0000	42.5000	63.5000	61.5000	74.0000	
Trinity School for Children	n/a	n/a	830.3972	815.7088	773.5000	760.0000	162.0000	-	-	-	69.0000	
Trinity Upper School	n/a	n/a	-	-	-	-	365.0000	701.5000	488.0000	471.5000	455.5000	
Valrico Lake Advantage Academy	n/a	n/a	917.2825	872.2782	828.0000	740.5000	364.5000	-	255.3882	227.9862	208.0000	
Village of Excellence	n/a	n/a	233.0309	244.4322	250.5000	233.5000	635.5000	645.5000	666.0000	539.5000	205.0000	
Village of Excellence Middle	n/a	n/a	111.0000	108.5000	107.0000	109.0000	265.5000	219.0000	211.9900	168.9900	136.0000	
W. E. Phillips Learning	n/a	n/a	-	-	-	-	141.5000	-	-	-	-	
Walton Academy	n/a	n/a	202.2824	205.3246	197.5000	208.5000	-	43.0000	21.0000	-	-	
Waterset Charter School	n/a	n/a	930.5789	763.9592	-	-	200.0000	175.0000	159.0000	153.5000	164.5000	
West University Charter H S	n/a	n/a	277.5000	285.0000	257.6300	277.7251	-	-	-	-	-	
Winthrop Charter School	n/a	n/a	1,304.7272	1,285.6468	1,301.0000	1,306.5000	382.5000	327.0000	181.8600	-	-	
Woodmont Charter School	n/a	n/a	719.9218	714.2476	785.0000	727.5000	1,288.5000	1,262.5000	1,081.0000	830.0000	-	
Total Charter Schools			23,286.0245	21,128.2289	18,468.7391	16,835.8699	15,059.8178	14,068.5835	11,826.1423	9,408.0393	6,239.5808	
<b>Other Programs</b>												
Acts	n/a	n/a	8.5850	9.2514	12.0008	15.0012	13.5016	10.2514	16.5000	10.7566	-	
Alternative Sch Non-DJJ Prog	n/a	n/a	-	-	-	0.5000	-	3.4000	-	1.4000	15.4750	
AMI Kids - Tampa Marine Institute	n/a	n/a	-	-	29.0000	20.5000	35.5000	36.0000	20.5000	54.0000	53.5000	
AMI Kids Yes - Youth Services	n/a	n/a	29.5000	31.0000	-	30.0000	30.0000	30.0000	31.0000	32.0000	33.0000	
Columbus Juvenile Residential	n/a	n/a	43.4170	48.0000	44.5000	48.0000	37.5000	47.0000	48.5000	47.0000	50.0000	
Detention Center, East	n/a	n/a	-	-	-	-	-	-	-	-	43.5000	
Detention Center, West	n/a	n/a	64.0000	88.5000	78.0000	93.0000	87.5000	81.5000	82.0000	84.0000	66.5000	
Dorothy Thomas	n/a	n/a	60.6351	57.0688	56.5504	70.8336	69.8336	46.5000	67.4170	64.5000	69.7044	
ESE Birth Through Age 5	n/a	n/a	19.6385	20.0834	15.9354	21.0190	17.4554	16.4502	18.6500	20.4318	20.5800	
ESE Hospital/Homebound Program	n/a	n/a	41.1211	44.5508	46.8775	51.3642	44.2358	40.5130	40.4236	44.6490	44.3181	
Falkenburg JCF/Mental Health	n/a	n/a	-	-	-	-	55.5000	-	-	-	-	
Falkenburg Road Jail	n/a	n/a	16.0000	19.5000	29.5000	47.0000	30.0000	11.5000	56.5000	52.0000	26.5000	
Fl Virtual School Franchise	n/a	n/a	-	-	0.3608	-	1.8348	-	-	-	-	
Haven Poe	n/a	n/a	-	-	-	-	-	-	-	-	11.0000	
Hillsborough ESE Contract Res	n/a	n/a	-	2.0000	-	3.0000	3.0000	2.5000	3.5000	5.5000	3.8000	
Hillsborough Girls Academy	n/a	n/a	17.5000	18.5000	17.5000	16.5000	14.0000	11.5000	17.0000	14.5000	12.0000	
Lake Academy	n/a	n/a	47.5000	46.0000	45.0000	46.0000	39.0000	46.5000	-	-	-	
Leslie Peters Halfway House	n/a	n/a	17.5000	22.0000	23.0000	20.0000	23.0000	11.0000	21.5000	22.0000	22.0000	
Mendez Exceptional Center	n/a	n/a	14.5000	19.5000	22.0000	22.0000	26.5000	47.5000	41.9750	38.1668	29.5000	
Pace	n/a	n/a	61.0000	58.0000	60.5000	54.5000	55.0000	54.5000	51.5000	47.0000	43.0000	
Private School (Disabled)	n/a	n/a	1,784.5850	1,748.1100	1,761.4400	1,718.0000	1,723.5000	1,459.1667	1,433.6667	1,253.8334	990.7934	
Private School PPPS	n/a	n/a	7.7800	9.9045	6.7923	8.6291	7.0461	8.3582	9.5000	7.4700	10.4000	
Riverside Academy	n/a	n/a	-	-	-	-	-	130.5000	136.5000	120.0000	150.0000	
Simmons Exceptional	n/a	n/a	33.6362	40.0812	42.6760	35.9045	22.3326	-	-	-	-	
Tampa Residential Facility	n/a	n/a	47.0000	49.0000	52.5000	49.5000	-	29.5000	41.5000	44.0000	89.5000	
Teen Parent East	n/a	n/a	-	-	-	-	-	25.5806	17.0000	19.2500	30.5000	
Teen Parent North	n/a	n/a	-	-	-	-	-	-	8.0000	12.5653	18.5000	
Teen Parent South	n/a	n/a	-	-	-	-	-	20.7600	16.4175	47.0026	29.5068	
Teen Parent West	n/a	n/a	-	-	-	-	-	81.9931	105.6027	114.0307	123.1638	
Spring	n/a	n/a	-	-	-	3.0000	-	-	-	-	-	
Total Other Sites			2,313.8979	2,331.0501	2,346.1332	2,374.2516	2,336.2399	2,253.4732	2,286.1525	2,157.0592	1,976.2415	
(1) Total District			212,536.7305	211,959.3650	212,038.1305	209,414.4311	205,019.2557	201,431.1556	198,658.6833	195,198.1663	192,499.0100	
(1) Total District without Charter			189,250.7060	190,831.1361	193,569.3914	192,578.5612	189,959.4379	187,362.5721	186,832.5410	185,790.1270	186,259.4292	

1) Amounts restated to show District enrollment with and without Charter totals

Source: District Records

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA  
NUMBER OF PERSONNEL  
LAST TEN FISCAL YEARS  
(unaudited)

Fiscal Year	(A) Instructional	(B) Administrative	(C) Support Services	Total	Total Number of Students in Hillsborough Cty. (Not Charters)	Ratio of Students to Instructional Personnel	Ratio of Instructional Personnel to Administrators
2019	14,725	940	9,212	24,877	211,959,3650	14.39	15.66
2018	15,108	954	9,111	25,173	190,831,1361	12.63	15.84
2017	15,466	994	9,440	25,900	193,569,3914	12.52	15.56
2016	15,441	1,168	9,586	26,195	192,578,5612	12.47	13.22
2015	15,704	991	9,458	26,153	189,959,4379	12.10	15.85
2014	15,787	937	9,280	26,004	187,362,5721	11.87	16.85
2013	15,638	915	9,223	25,776	186,832,5410	11.95	17.09
2012	15,477	882	9,185	25,544	185,790,1270	12.00	17.55
2011	15,217	890	9,119	25,226	186,259,4292	12.24	17.10
2010	15,048	880	9,029	24,957	185,474,7256	12.33	17.10

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.

Restated to include only students enrolled in a Hillsborough County Public School not including Charter Schools

Source: District Records

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA  
TEACHER BASE SALARIES  
LAST TEN FISCAL YEARS  
(unaudited)

Fiscal Year	Minimum Salary	Maximum Salary	Average Salary
2019 (1)	\$ 38,200	\$ 66,200	\$ 52,200
2018 (1)	38,200	66,200	52,200
2017 (1)	38,200	66,200	52,200
2016 (1)	38,001	66,001	51,333
2015 (1)	38,001	66,001	51,333
2014	37,785	64,885	51,158
2013	37,569	61,519	48,314
2012	37,014	61,594	47,601
2011	37,014	61,594	47,601
2010	37,014	61,594	47,601

10 Month Teachers with Bachelors Degree

(1) Minimum, maximum and average salary is based on the empowering effective teachers evaluation schedu

Source: District Records

**SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA**  
**FOOD SERVICE OPERATING DATA**  
**LAST TEN YEARS**  
(unaudited)

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Days Meals Served:</b>	180	173	177	181	181	181	181	181	180	181
<b>Student Lunches Served:</b>										
Paid Lunches (regular)	3,969,975	3,049,690	3,888,388	3,772,264	3,523,662	3,414,131	3,461,533	3,637,054	3,868,506	3,961,620
Reduced Lunches (regular)	1,889,996	882,794	1,441,858	1,283,305	1,514,929	1,696,283	1,930,977	1,987,547	2,149,221	2,423,399
Free Lunches (regular)	15,127,015	16,693,557	15,562,985	16,219,755	15,861,792	15,044,904	14,193,275	13,989,877	13,527,929	12,820,820
<b>Total Student Lunches Served</b>	<b>20,986,986</b>	<b>20,626,041</b>	<b>20,893,231</b>	<b>21,275,324</b>	<b>20,900,383</b>	<b>20,155,318</b>	<b>19,585,785</b>	<b>19,614,478</b>	<b>19,545,656</b>	<b>19,205,839</b>
Daily Average Student Lunches Served	116,594	119,226	118,041	117,543	115,472	111,355	108,209	108,367	108,587	106,110
<b>Student Breakfasts Served:</b>										
Paid Breakfasts (regular)	2,766,557	1,930,412	2,630,619	2,613,381	2,449,697	2,811,466	2,757,077	3,062,197	3,373,601	3,539,910
Reduced Breakfasts (regular)	1,116,134	482,156	797,085	671,893	771,495	934,465	999,640	1,037,880	1,153,426	1,320,463
Free Breakfasts (regular)	10,072,944	10,479,982	9,918,839	9,992,191	9,525,275	9,366,988	8,371,783	8,169,292	7,954,549	7,566,867
<b>Total Student Breakfasts Served</b>	<b>13,955,635</b>	<b>12,892,550</b>	<b>13,346,543</b>	<b>13,277,465</b>	<b>12,746,467</b>	<b>13,112,919</b>	<b>12,128,500</b>	<b>12,269,369</b>	<b>12,481,576</b>	<b>12,427,240</b>
Daily Average Student Breakfasts Served	77,531	74,523	75,404	73,356	70,422	72,447	67,008	67,787	69,342	68,659
<b>Student Dinner Served(1):</b>										
Paid Dinner (regular)	-	-	-	-	-	-	-	-	-	-
Reduced Dinner (regular)	-	-	-	-	-	-	-	-	-	-
Free Dinner (regular)	1,246,679	1,379,296	1,316,780	1,272,092	1,05,973	-	-	-	-	-
<b>Total Student Dinners Served</b>	<b>1,246,679</b>	<b>1,379,296</b>	<b>1,316,780</b>	<b>1,272,092</b>	<b>105,973</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Daily Average Student Dinners Served	6,926	7,973	7,439	7,028	585	-	-	-	-	-
<b>LUNCH PRICES:</b>										
Elementary	\$2.25	\$2.25	\$2.25	\$2.25	\$2.25	\$2.25	\$2.25	\$2.25	\$2.25	\$2.25
Secondary	\$2.75	\$2.75	\$2.75	\$2.75	\$2.75	\$2.75	\$2.75	\$2.75	\$2.75	\$2.75
<b>BREAKFAST PRICES:</b>										
Elementary	FREE	FREE	FREE	FREE	FREE	FREE	FREE	FREE	FREE	FREE
Secondary	FREE	FREE	FREE	FREE	FREE	FREE	FREE	FREE	FREE	FREE
<b>DINNER PRICES:</b>										
Elementary	FREE	FREE	FREE	FREE	FREE	-	-	-	-	-
Secondary	FREE	FREE	FREE	FREE	FREE	-	-	-	-	-
<b>Free and Reduced Percentages:</b>										
Paid	19.3%	14.9%	19.0%	18.5%	17.8%	18.7%	19.6%	21.0%	22.6%	23.7%
Reduced	8.6%	4.1%	6.5%	5.7%	6.8%	7.9%	9.2%	9.5%	10.3%	11.8%
Free	72.1%	81.1%	74.4%	75.9%	75.5%	73.4%	71.2%	69.5%	67.2%	64.6%

(1) 2015 was the first full year of implementation for the dinner program.  
(2) 2018 and 2017 had a decrease in the number of days meals were served due to the hurricanes.

Source: District Records



**Superintendent of Schools**  
Jeff Eakins

**School Board Members**  
Melissa Snively, Chair  
Steve P. Cona III, Vice Chair  
Lynn L. Gray  
Stacy A. Hahn, PhD  
Karen Perez  
Tamara P. Shamburger  
Cindy Stuart

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**VISION**

Preparing students for life.

**MISSION**

To provide an education and the supports which enable each student to excel as a successful and responsible citizen.



PREPARED BY ACCOUNTING SERVICES

## **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(1) 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**

**MASTER TRUST AGREEMENT, AS AMENDED, AND FORMS OF THE SERIES 2020A  
SUPPLEMENTAL TRUST AGREEMENT AND THE SERIES 2020B  
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

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**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 Schedules; 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

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.

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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

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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.

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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.

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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

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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.

(4) 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

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 Date, 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

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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 the 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

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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;

(k) 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;

(li) 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 (j) 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

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**SECTION 4.04. 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 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

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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.

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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 4.06. 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.

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(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

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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

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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

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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, 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;

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(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.

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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

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(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

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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

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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

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#### 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

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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.

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

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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, 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.

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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 accrue.

**SECTION 6.03. PROJECT ACCOUNT.** (a) The Trustee shall deposit into such 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 thereof 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 disbursements for 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

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## 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")

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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,

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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;

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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 4.03(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 4.04. 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 4.05. 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

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(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.

(a) 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

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transfer shall be made on each Payment Date for such Series until the amounts in such subaccount have been fully expended.

**SECTION 4.06. 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 be 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.

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(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

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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

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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

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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 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

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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.

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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

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## 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

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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).

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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

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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

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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 because 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 8.02 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

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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:

(4) 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.

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(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, the Accrued 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) (ii) 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.

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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

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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

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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

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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.

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:

(1) 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

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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,

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,

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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

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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(a) 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

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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

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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 such 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

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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.

## 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.

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## 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

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(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

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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.

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Corporation and Moody's Investors Service at least 5 days prior to the effective date of such Supplemental Trust Agreement.

**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

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## ARTICLE XIII DEFERANCE

**SECTION 12.01. DEFERANCE.** (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 payments 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

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due, of the principal 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 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

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.

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

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

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.

**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 thereto duly authorized as of the date and year first written above.

NATIONSBANK OF FLORIDA, N.A., as Trustee

(SEAL)

By: Sharon B. Sawyer  
Vice President

ATTEST:

James M. McCoy  
Trust Officer

HILLSBOROUGH SCHOOL BOARD LEASING CORPORATION, as Lessor

(SEAL)

By: Yvonne Mack Truck  
President

ATTEST:

Walter L. Biebler  
Secretary

SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA, as Lessee

(SEAL)

By: Yvonne Mack Truck  
Chairman

ATTEST:

Walter L. Biebler  
Superintendent/Secretary

**EXHIBIT B**

**(FORM OF CERTIFICATES 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
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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.

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

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

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(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.

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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

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[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 Certificates, 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.

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For value received \_\_\_\_\_, the undersigned do(es) hereby sell, assign and transfer unto \_\_\_\_\_, whose Social Security or other identifying number is \_\_\_\_\_, 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.

(FORM OF REQUEST AND AUTHORIZATION)

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.

1. The undersigned, being the duly qualified and acting 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:

Table with 2 columns: Description and Amount. Rows include Principal Amount, Less: Underwriters' Discount, Less: Original Issue Discount, Plus: Accrued interest from to the date hereof, Purchase Price, and 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.

Table with 2 columns: Description and Amount. Rows include TO THE CREDIT OF THE "SERIES \_\_\_\_\_ SUBACCOUNT OF THE PROJECT ACCOUNT", TO THE CREDIT OF THE "SERIES \_\_\_\_\_ SUBACCOUNT OF THE COSTS OF ISSUANCE ACCOUNT", and TO THE CREDIT OF THE "SERIES \_\_\_\_\_ SUBACCOUNT OF THE CAPITALIZED INTEREST ACCOUNT".

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Table with 2 columns: Description and Amount. Rows include TO THE CREDIT OF THE "SERIES \_\_\_\_\_ SUBACCOUNT OF THE RESERVE ACCOUNT", TO THE CREDIT OF THE "SERIES \_\_\_\_\_ SUBACCOUNT OF THE INTEREST ACCOUNT", and TOTAL DEPOSITS.

TERMS OF SERIES \_\_\_\_\_ CERTIFICATES

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: \_\_\_\_\_

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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 May 1, 2020

Relating to

Refunding Certificates of Participation

(School Board of Hillsborough County, Florida Master Lease Program),
Series 2020A

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

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SERIES 2020A SUPPLEMENTAL TRUST AGREEMENT

THIS SERIES 2020A SUPPLEMENTAL TRUST AGREEMENT, dated as of
May 1, 2020 (the "Series 2020A Supplemental Trust Agreement"), supplementing the
Master Trust Agreement, dated as of April 1, 1994, as amended (the "Master 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
Master 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 (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 Master Trust Agreement) of Certificates of Participation issued under the
Master 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 Lease
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 Master Trust Agreement) from the Corporation and the
Board and the terms of this Series 2020A Supplemental Trust Agreement (the
"Series 2020A Certificates"); and

WHEREAS, the Corporation has assigned by absolute outright assignment to the
Trustee all of its right, title and interest in and to the Lease Agreement and the Lease
Payments (as defined in the Lease 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 Master Trust Agreement, \$103,770,000 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 (the "Series 2001A Certificates"); 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 1, 2001, as amended
and restated pursuant to Second Amended and Restated Lease Schedule No. 1999, dated
as of April 1, 2010 (as heretofore amended and supplemented, the "Current Lease Schedule
No. 1999"); and

WHEREAS, the Board has heretofore caused the Trustee to execute, authenticate
and deliver, under the Master Trust Agreement, \$97,545,000 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 "Series 2010A Certificates"), which Series 2010A
Certificates, prior to giving effect to the refunding described herein, are currently
outstanding in the aggregate amount of \$73,800,000; and

WHEREAS, a portion of the proceeds of the Series 2010A Certificates were used
to refinance a portion of the Series 1999 Project by currently refunding that portion of the
Series 2001A Certificates maturing on July 1 in the years 2011 through 2021, inclusive and
2025; and

WHEREAS, the Board and the Corporation agree that the proceeds of the
Series 2020A Certificates should be used to defease to maturity or refund, on a current
basis, as applicable, all of the outstanding Series 2010A Certificates (the "Refunded
Certificates") pursuant to the terms of the Master Trust Agreement and the Escrow
Agreement (as defined below) in order to achieve certain debt service savings; and

**WHEREAS**, a portion of the proceeds of the Series 2020A Certificates, together with other legally available funds, shall be deposited into an escrow deposit trust fund established pursuant to the Escrow Deposit Agreement (Series 2010A Refunding), between the Board and The Bank of New York Mellon Trust Company, N.A., as escrow agent (the "Escrow 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 prepaid prior to maturity; and

**WHEREAS**, the Lease Agreement will continue to secure the payment of Supplemental Rent (as defined in the Lease Agreement) and any deficiency in the prepaid Basic Rent Payments on deposit in the escrow deposit trust fund established under the Escrow 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 Third Amended and Restated Lease Schedule No. 1999 (the "Third Amended and Restated Lease Schedule No. 1999"), with the Corporation, whereby the Board will amend and restate Current 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 Series 2020A Certificates; and

**WHEREAS**, the Series 2020A Certificates shall be secured in the manner provided in the Trust Agreement and shall have the terms and provisions contained in this Series 2020A Supplemental Trust Agreement; and

**WHEREAS**, all things necessary to make the Series 2020A Certificates, when authenticated by the Trustee and issued as provided herein and in the Master Trust Agreement, the valid, binding and legal obligations according to the terms thereof, have been done and performed, and the creation, execution and delivery of this Series 2020A Supplemental Trust Agreement, and the creation, execution and issuance of the Series 2020A Certificates subject to the terms hereof, have in all respects been duly authorized;

**NOW, THEREFORE, THIS SERIES 2020A SUPPLEMENTAL TRUST AGREEMENT WITNESSETH:**

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**"Series 2020A Account of the Prepayment Fund"** means the account established in the Prepayment Fund established pursuant to Section 6.02 of the Master Trust Agreement and Section 4.01 hereof.

**"Series 2020A Certificates"** means the \$56,700,000 Refunding Certificates of Participation (School Board of Hillsborough County, Florida Master Lease Program), Series 2020A 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 authorized to be issued under Section 4.01 of the Master Trust Agreement and Section 2.01 hereof.

**"Series 2020A Pledged Accounts"** means with respect to the Series 2020A Certificates, the Series 2020A Subaccount of the Costs of Issuance Account, the Series 2020A Subaccount of the Interest Account and the Series 2020A Subaccount of the Principal Account, each established hereby.

**"Series 2020A Subaccount of the Costs of Issuance Account"** means the subaccount established in the Costs of Issuance Account pursuant to Section 6.02 of the Master Trust Agreement and Section 4.01 hereof.

**"Series 2020A Subaccount of the Interest Account"** means the subaccount established in the Interest Account pursuant to Section 6.02 of the Master Trust Agreement and Section 4.01 hereof.

**"Series 2020A Subaccount of the Principal Account"** means the subaccount established in the Interest Account pursuant to Sections 6.02 and 6.06 of the Master Trust Agreement and Section 4.01 hereof.

**"Series 2020A Supplemental Trust Agreement"** means this instrument, as may be 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.

**"Trust Agreement"** means the Master Trust Agreement, as supplemented by this Series 2020A Supplemental Trust Agreement, among the Trustee, the Corporation and the Board.

**"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 2020A Certificates.

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## ARTICLE I DEFINITIONS

**SECTION 1.01. DEFINITIONS.** Capitalized words and terms which are defined in the Master Trust Agreement, shall have the same meanings ascribed to them when used herein, unless the context or use indicates a different meaning or intent. In addition to the capitalized words and terms elsewhere defined in this Series 2020A Supplemental Trust Agreement, the following capitalized words and terms as used in this Series 2020A Supplemental Trust Agreement shall have the following meanings unless the context or use indicates another or different meaning or intent:

**"Amended and Restated Lease Schedule No. 1999"** means the Third Amended and Restated Lease Schedule No. 1999, dated as of May 1, 2020, relating to the Series 1999 Project and the Series 2020A Certificates, which shall be part of the Lease Agreement.

**"Escrow Agent"** means The Bank of New York Mellon Trust Company, N.A.

**"Escrow Agreement"** means the Escrow Deposit Agreement (Series 2010A Refunding), dated May 21, 2020, between the Board and the Escrow Agent.

**"Refunded Certificates"** means all of the outstanding Series 2010A Certificates.

**"Related Documents"** means the Master Trust Agreement, the Lease Agreement, the Assignment of Lease Agreement, the Series 1999 Ground Lease Agreement and the Assignment of Ground Lease Agreement, dated as of October 1, 1999, as amended and supplemented.

**"Reserve Requirement"** means, with respect to the Series 2020A Certificates, zero dollars (\$0.00).

**"Series 1999 Ground Lease Agreement"** means the Ground Lease Agreement, dated as of October 1, 1999, as amended and supplemented, and particularly as amended by that certain Second Amendment to Ground Lease Agreement, dated as of May 1, 2020, each between the Board and the Corporation.

**"Series 1999 Project"** means the Series 1999 Project as described in the Amended and Restated Lease Schedule No. 1999.

**"Series 2010A Certificates"** means the 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 April 15, 2010, executed, authenticated and delivered by the Trustee under the Master Trust Agreement.

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## ARTICLE II THE SERIES 2020A CERTIFICATES

### SECTION 2.01. AUTHORIZATION OF SERIES 2020A CERTIFICATES.

(a) There is hereby created a Series of Certificates to be issued under the Master Trust Agreement to be known as "Refunding Certificates of Participation (School Board of Hillsborough County, Florida Master Lease Program), Series 2020A 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 2020A Certificates which may be issued is hereby expressly limited to \$56,700,000. The Series 2020A Certificates shall be issued for the principal purpose of effecting the defeasance to maturity or refunding, on a current basis, as applicable, of the Refunded Certificates and paying Costs of Issuance of the Series 2020A Certificates. The Series 2020A 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 2020A Certificates shall be lettered and numbered R-1 and upward.

(b) Except as otherwise provided in the Master Trust Agreement, the Series 2020A Certificates shall be dated as of their date of delivery. Interest on the Series 2020A Certificates shall be payable on each Payment Date, commencing July 1, 2020. The Series 2020A Certificates shall be payable in the manner provided in the Master Trust Agreement.

(c) The Series 2020A 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
2027	\$18,360,000	5.00%
2029	38,340,000	5.00

(d) All of the Series 2020A Certificates shall be Serial Certificates. The Series 2020A Certificates shall be substantially in the form set forth in Exhibit B to the Master Trust Agreement.

**SECTION 2.02. ISSUANCE OF SERIES 2020A CERTIFICATES.** The Series 2020A Certificates shall be issued upon delivery to the Trustee of the documents referred to in Section 4.13(b) of the Master Trust Agreement and the payment of the purchase price therefor.

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**SECTION 2.03. REFUNDING OF REFUNDED CERTIFICATES.** Upon the delivery of the Series 2020A Certificates, the Refunded Certificates shall be refunded as provided in the Master Trust Agreement and the Escrow Agreement.

**SECTION 2.04. LETTER OF INSTRUCTIONS.** Attached hereto as Schedule 1 is the Letter of Instructions relating to the Series 2020A Certificates as required by Section 6.12 of the Master Trust Agreement. The Trustee, the Corporation and the Board agree to abide by the provisions of such Letter of Instructions in accordance with, and to the extent of the terms of, the Trust Agreement.

**SECTION 2.05. FULL BOOK-ENTRY.** Notwithstanding the provisions set forth in Section 2.01 hereof or Section 4.06 of the Master Trust Agreement, the Series 2020A Certificates shall be initially issued in the form of a separate single certificated fully registered Series 2020A Certificate for each of the maturities of the Series 2020A Certificates. Upon initial issuance, the ownership of each such Series 2020A 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 2020A 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 2020A Certificates shall be registered in the name of Cede & Co., all payments of interest on the Series 2020A Certificates shall be made by the Trustee by check or draft or by wire transfer to Cede & Co., as Holder of the Series 2020A Certificates.

With respect to Series 2020A 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 2020A 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 2020A Certificates, 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 2020A Certificates. The Board, the Corporation and the Trustee may treat and consider the Person in whose name each Series 2020A Certificate is registered in the registration books kept by the Trustee as the Holder and absolute owner of such Series 2020A Certificate for the purpose of payment of principal of, premium, if any, and interest with respect to such Series 2020A Certificate, for providing notices with respect to such Series 2020A Certificate, for the purpose of registering transfers with respect to such Series 2020A Certificate and for all other purposes whatsoever. The Trustee shall pay all principal of, premium, if any, and interest on the Series 2020A Certificates only to or upon

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### ARTICLE III

#### APPLICATION OF SERIES 2020A CERTIFICATE PROCEEDS

**SECTION 3.01. APPLICATION OF SERIES 2020A CERTIFICATE PROCEEDS.** The proceeds of the Series 2020A Certificates (net of the Underwriters' discount of \$138,424.50) shall be applied by the Trustee as follows:

(a) Deposit to the credit of a Series 2020A Subaccount of the Costs of Issuance Account an amount equal to the Costs of Issuance of the Series 2020A Certificates, \$256,512.45.

(b) Deposit irrevocably in trust to the credit of the escrow deposit trust fund established under the Escrow Agreement an amount equal to \$70,903,315.05 which, together with \$4,568,965.28 of other funds deposited in such fund by the Board, shall be sufficient to purchase Refunding Securities in the manner set forth in the Escrow Agreement, which investments shall mature at such times and in such amounts as shall be sufficient, together with a cash deposit, to pay the Refunded Certificates as the same mature or are earlier called for prepayment.

All moneys on deposit in the Subaccount described in this Section shall be applied in accordance with Section 4.01 hereof and shall be disbursed by the Trustee in the manner and for the purposes described in the Trust Agreement.

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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 2020A 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 2020A 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 2020A 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 2020A 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 2020A 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 2020A 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 2020A Certificates.

Prior to any transfer of the Series 2020A Certificates that is outside of the book-entry only system (including, but not limited to, the initial transfer outside the book-entry only system) the transferor shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Section 6045 of the Code. The Trustee shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

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### ARTICLE IV

#### ESTABLISHMENT OF SERIES 2020A PLEDGED ACCOUNTS

**SECTION 4.01. ESTABLISHMENT OF SERIES 2020A PLEDGED ACCOUNTS.** In accordance with Section 6.02(b) of the Master Trust Agreement, there is hereby established with the Trustee, solely for the benefit of the Owners of the Series 2020A Certificates, the following accounts and subaccounts:

(a) The "School Board of Hillsborough County, Florida Master Lease Series 2020A Subaccount of the Costs of Issuance Account."

(b) The "School Board of Hillsborough County, Florida Master Lease Series 2020A Subaccount of the Interest Account."

(c) The "School Board of Hillsborough County, Florida Master Lease Series 2020A Subaccount of the Principal Account."

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 2020A Pledged Accounts shall be invested solely in Permitted Investments.

**SECTION 4.02. SECURITY FOR SERIES 2020A CERTIFICATES.** The Series 2020A 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 2020A Certificates and (ii) any cash, securities and investments in the Series 2020A Pledged Accounts shall be utilized solely for the benefit of the Owners of the Series 2020A Certificates. The Owners of the Series 2020A 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, or any cash, securities and investments in the Pledged Accounts, other than the Series 2020A Pledged Accounts.

ARTICLE V

NO PREPAYMENT OF SERIES 2020A CERTIFICATES

SECTION 5.01. NO PREPAYMENT OF SERIES 2020A CERTIFICATES.

(a) The Series 2020A Certificates are not subject to extraordinary mandatory prepayment prior to maturity pursuant to Section 6.03(g) of the Master Trust Agreement or Section 5.08(c) of the Lease Agreement.

(b) The Series 2020A Certificates shall not be subject to prepayment at the option of the Board prior to maturity.

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

[Signature page to follow]

ARTICLE VI

MISCELLANEOUS

SECTION 6.01. PROVISIONS OF MASTER TRUST AGREEMENT NOT OTHERWISE MODIFIED. Except as expressly modified or amended hereby, the Master Trust Agreement shall remain in full force and effect. To the extent of any conflict between the terms of the Master Trust Agreement and this Series 2020A Supplemental Trust Agreement, the terms hereof shall control.

SECTION 6.02. THIRD PARTY BENEFICIARIES. Nothing in this Series 2020A 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 2020A Supplemental Trust Agreement or any covenants, condition or stipulation hereof; and all covenants, stipulations, promises and agreements in this Series 2020A 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 6.03. COUNTERPARTS. This Series 2020A 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 6.04. 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 2020A Supplemental Trust Agreement, nor shall they affect its meaning, construction or effect.

SECTION 6.05. LAWS. This Series 2020A Supplemental Trust Agreement shall be construed and governed in accordance with the laws of the State.

SECTION 6.06. BROKER CONFIRMATION STATEMENTS NOT REQUIRED. Although the Corporation and the Board each recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the Corporation and the Board each hereby agree that broker confirmations of investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered, or made available, by the Trustee.

SECTION 6.07. ELECTRONIC DIRECTIONS TO TRUSTEE. The Trustee shall have the right to accept and act upon directions given pursuant to this Series 2020A Supplemental Trust Agreement, the Lease Agreement or any other document reasonably relating to the Series 2020A Certificates and delivered using Electronic Means (defined below); provided, however, that the Corporation or the Board, as the case may be,

IN WITNESS WHEREOF, the parties have executed this Series 2020A 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

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

HILLSBOROUGH SCHOOL BOARD LEASING CORPORATION, as Lessor

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

ATTEST:

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

THE SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA, as Lessee

(SEAL)

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

ATTEST:

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

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: \$56,700,000 Refunding Certificates of Participation (School Board of Hillsborough County, Florida Master Lease Program), Series 2020A 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 2020A 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 2020A Certificates have been issued pursuant to a Master Trust Agreement, dated as of April 1, 1994, as amended, including, in particular, as supplemented by the Series 2020A Supplemental Trust Agreement, dated as of May 1, 2020 (collectively, the "Trust Agreement"), among The Bank of New York Mellon Trust Company, N.A., as 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 2020A Certificates represent undivided proportionate interests of Owners of the Series 2020A Certificates in the 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 Third Amended and Restated Lease Schedule No. 1999, dated as of May 1, 2020 (the "Lease Agreement"), between the

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Corporation and the Board. Pursuant to an Assignment of Lease Agreement, dated as of April 1, 1994, as amended, between the Corporation and the Trustee, the Corporation has assigned all of its rights, title and interest in and to Third 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 2020A 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 2020A 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 2020A 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 2020A Certificates or the Lease Payments or any other funds or take or omit to take any action that would cause the Series 2020A 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 2020A 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 2020A Certificates.

"**Certificate Year**" means any one-year period (or shorter period from the Issue Date) ending on the close of business on the day preceding the anniversary of the Issue Date; provided, however, that the Board may select any other day as the end of a Certificate Year if such selection is made prior to the earlier of the final maturity date of the Series 2020A Certificates or the fifth anniversary of the Issue Date.

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"**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 2020A Certificates are discharged.

"**Gross Proceeds**" means, with respect to the Series 2020A Certificates:

- (1) Amounts constituting Sale Proceeds of the Series 2020A Certificates.
- (2) Amounts constituting Investment Proceeds of the Series 2020A Certificates.
- (3) Amounts constituting Transferred Proceeds of the Series 2020A Certificates.
- (4) Other amounts constituting Replacement Proceeds of the Series 2020A 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 2020A Certificates.

"**Investment Proceeds**" means any amounts actually or constructively received from investing proceeds of the Series 2020A Certificates.

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

"**Issue Date**" means May 21, 2020.

"**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 2020A Certificates, e.g., obligations acquired with Gross Proceeds that are invested temporarily until needed for the governmental purpose of the Series 2020A Certificates, that are used to discharge a prior issue, or that are invested in a reasonably required reserve or replacement fund.

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"**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 2020A 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 2020A 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) \$41,000 (for calendar year 2020), or (b) the greater of (x) .2% of the "computational base," or (y) \$4,000; and (2) the Board does not treat as Qualified Administrative Costs more than \$117,000 (for calendar year 2020) 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.

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**"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 2020A Certificates or to the governmental purpose of the Series 2020A Certificates to conclude that the amounts would have been used for that governmental purpose if the Proceeds of the Series 2020A 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 2020A 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 2020A 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 2020A Certificate and that is described in Section 1.148-4(b)(4) of the Regulations.

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

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

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(1) using as the purchase price of the Series 2020A Certificates, the amount at which such Series 2020A 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 2020A 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 2020A 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 2020A Certificates.

### 3. Payment of Rebateable 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 Rebateable 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 Rebateable 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 Rebateable Arbitrage or any penalty due pursuant to Section 3(d) below. The Board agrees to pay the Trustee the amount of the Rebateable Arbitrage for deposit to the Rebate Fund on or before the same must be remitted by the Trustee. Upon receipt of such Rebateable 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 2020A Certificates plus the income, if any,

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**"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 2020A Certificates.

**"Value" (of a Series 2020A Certificate)** means with respect to a Series 2020A 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 2020A 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;

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

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

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

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

**"Yield on the Series 2020A Certificates"** means, for all Computation Dates, the Yield expected as of the date hereof on the Series 2020A Certificates over the term of such Series 2020A Certificates computed by:

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from the investment of the Rebateable Arbitrage due the United States Government after the final Computation Date) of the Rebateable Arbitrage.

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

(c) The obligation to pay Rebateable Arbitrage to the United States, as described in this letter, shall be treated as satisfied with respect to the Series 2020A Certificates if (i) Gross Proceeds are expended for the governmental purpose of the Series 2020A 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 2020A Certificates and (ii) the requirement to pay Rebateable Arbitrage, if any, to the United States with respect to the portion of the Reserve Account allocable to the Series 2020A 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, Rebateable Arbitrage with respect to such Gross Proceeds need not be calculated and no payment thereof to the United States Department of Treasury need be made. Use of Gross Proceeds to redeem Series 2020A 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 Rebateable 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 2020A Certificates, including moneys derived from, pledged to, or to be used to make payments on the Series 2020A Certificates. Such records shall, at a minimum, be sufficient to enable the Board to calculate the Rebateable Arbitrage and, if necessary, shall specify the account or fund to which each investment (or portion thereof) is to be allocated

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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

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(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 2020A Certificate is redeemed including, but not limited to, the following:

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

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

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

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

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

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

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

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

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(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 2020A 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

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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.

[Signature page to follow]

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**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 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

**10. Trustee Obligations.** Except for matters set forth in Sections 3(a), (b) and (d) 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: \_\_\_\_\_  
Director

**HILLSBOROUGH SCHOOL BOARD LEASING CORPORATION**

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

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(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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SERIES 2020B 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 May 1, 2020

Relating to

Taxable Refunding Certificates of Participation
(School Board of Hillsborough County, Florida Master Lease Program),
Series 2020B

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

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SERIES 2020B SUPPLEMENTAL TRUST AGREEMENT

THIS SERIES 2020B SUPPLEMENTAL TRUST AGREEMENT, dated as of
May 1, 2020 (the "Series 2020B Supplemental Trust Agreement"), supplementing the
Master Trust Agreement, dated as of April 1, 1994, as amended (the "Master 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
Master 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").

W I T N E S S E T H:

WHEREAS, the Board has heretofore deemed it in its best interests to lease-
purchase certain real and/or personal property from time to time and has heretofore entered
into a Master Lease-Purchase Agreement, dated as of April 1, 1994, as amended (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 Master Trust Agreement) of Certificates of Participation issued under the
Master 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 Lease
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 Master Trust Agreement) from the Corporation and the
Board and the terms of this Series 2020B Supplemental Trust Agreement (the
"Series 2020B Certificates"); and

WHEREAS, the Corporation has assigned by absolute outright assignment to the
Trustee all of its right, title and interest in and to the Lease Agreement and the Lease
Payments (as defined in the Lease 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 Master Trust Agreement, \$72,065,000 Certificates of Participation
(School Board of Hillsborough County, Florida Master Lease Program), Series 2003B
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 "Series 2003B Certificates"); and

WHEREAS, the proceeds of the Series 2003B Certificates were principally used to
finance a portion of the costs of acquisition, construction and installation of various
educational facilities (the "Series 2003B Project") as more particularly described in Lease
Schedule No. 2003B, dated as of September 1, 2003, as amended pursuant to Amended
and Restated Lease Schedule No. 2003B, dated as of April 1, 2012 (as heretofore amended
and supplemented, the "Current Lease Schedule No. 2003B"); and

WHEREAS, the Board has heretofore caused the Trustee to execute, authenticate
and deliver, under the Master Trust Agreement, \$124,565,000 Certificates of Participation
(School Board of Hillsborough County, Florida Master Lease Program), Series 2012A
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 "Series 2012A Certificates"), which Series 2012A
Certificates, prior to giving effect to the refunding described herein, are currently
outstanding in the aggregate amount of \$69,050,000; and

WHEREAS, a portion of the proceeds of the Series 2012A Certificates were used
to refinance a portion of the Series 2003B Project by refunding, on an advanced basis, all
of the Series 2003B Certificates; and

WHEREAS, the Board and the Corporation agree that the proceeds of the
Series 2020B Certificates should be used to refund, on an advanced and taxable basis, all
of the outstanding Series 2012A Certificates (the "Refunded Certificates") pursuant to the
terms of the Master Trust Agreement and the Escrow Agreement (as defined below) in
order to achieve certain debt service savings; and

WHEREAS, a portion of the proceeds of the Series 2020B Certificates shall be
deposited into an escrow deposit trust fund established pursuant to the Escrow Deposit

Agreement (Series 2012A Refunding), between the Board and The Bank of New York Mellon Trust Company, N.A., as escrow agent (the "Escrow 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 prepaid prior to maturity; and

**WHEREAS**, the Lease Agreement will continue to secure the payment of Supplemental Rent (as defined in the Lease Agreement) and any deficiency in the prepaid Basic Rent Payments on deposit in the escrow deposit trust fund established under the Escrow 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. 2003B (the "Second Amended and Restated Lease Schedule No. 2003B"), with the Corporation, whereby the Board will amend and restate Current Lease Schedule No. 2003B in its entirety thereby continuing to lease the Series 2003B Project and agree to make Basic Rent Payments sufficient to pay the principal of and interest on the Series 2020B Certificates; and

**WHEREAS**, the Series 2020B Certificates shall be secured in the manner provided in the Trust Agreement and shall have the terms and provisions contained in this Series 2020B Supplemental Trust Agreement; and

**WHEREAS**, all things necessary to make the Series 2020B Certificates, when authenticated by the Trustee and issued as provided herein and in the Master Trust Agreement, the valid, binding and legal obligations according to the terms thereof, have been done and performed, and the creation, execution and delivery of this Series 2020B Supplemental Trust Agreement, and the creation, execution and issuance of the Series 2020B Certificates subject to the terms hereof, have in all respects been duly authorized;

**NOW, THEREFORE, THIS SERIES 2020B SUPPLEMENTAL TRUST AGREEMENT WITNESSETH:**

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Hillsborough County, Florida, dated April 3, 2012, executed, authenticated and delivered by the Trustee under the Master Trust Agreement.

**"Series 2020B Account of the Prepayment Fund"** means the account established in the Prepayment Fund established pursuant to Section 6.02 of the Master Trust Agreement and Section 4.01 hereof.

**"Series 2020B Certificates"** means the \$76,530,000 Taxable Refunding Certificates of Participation (School Board of Hillsborough County, Florida Master Lease Program), Series 2020B 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 authorized to be issued under Section 4.01 of the Master Trust Agreement and Section 2.01 hereof.

**"Series 2020B Pledged Accounts"** means with respect to the Series 2020B Certificates, the Series 2020B Subaccount of the Costs of Issuance Account, the Series 2020B Subaccount of the Interest Account and the Series 2020B Subaccount of the Principal Account, each established hereby.

**"Series 2020B Subaccount of the Costs of Issuance Account"** means the subaccount established in the Costs of Issuance Account pursuant to Section 6.02 of the Master Trust Agreement and Section 4.01 hereof.

**"Series 2020B Subaccount of the Interest Account"** means the subaccount established in the Interest Account pursuant to Section 6.02 of the Master Trust Agreement and Section 4.01 hereof.

**"Series 2020B Subaccount of the Principal Account"** means the subaccount established in the Interest Account pursuant to Sections 6.02 and 6.06 of the Master Trust Agreement and Section 4.01 hereof.

**"Series 2020B Supplemental Trust Agreement"** means this instrument, as may be 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.

**"Trust Agreement"** means the Master Trust Agreement, as supplemented by this Series 2020B Supplemental Trust Agreement, among the Trustee, the Corporation and the Board.

**"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 2020B Certificates.

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## ARTICLE I DEFINITIONS

**SECTION 1.01. DEFINITIONS.** Capitalized words and terms which are defined in the Master Trust Agreement, shall have the same meanings ascribed to them when used herein, unless the context or use indicates a different meaning or intent. In addition to the capitalized words and terms elsewhere defined in this Series 2020B Supplemental Trust Agreement, the following capitalized words and terms as used in this Series 2020B Supplemental Trust Agreement shall have the following meanings unless the context or use indicates another or different meaning or intent:

**"Amended and Restated Lease Schedule No. 2003B"** means the Second Amended and Restated Lease Schedule No. 2003B, dated as of May 1, 2020, relating to the Series 2003B Project and the Series 2020B Certificates, which shall be part of the Lease Agreement.

**"Escrow Agent"** means The Bank of New York Mellon Trust Company, N.A.

**"Escrow Agreement"** means the Escrow Deposit Agreement (Series 2012A Refunding), dated May 21, 2020, between the Board and the Escrow Agent.

**"Refunded Certificates"** means all of the outstanding Series 2012A Certificates.

**"Related Documents"** means the Master Trust Agreement, the Lease Agreement, the Assignment of Lease Agreement, the Series 2003B Ground Lease Agreement and the Assignment of Ground Lease Agreement, dated as of September 1, 2003, as amended and supplemented.

**"Reserve Requirement"** means, with respect to the Series 2020B Certificates, zero dollars (\$0.00).

**"Series 2003B Ground Lease Agreement"** means the Ground Lease Agreement, dated as of September 1, 2003, as amended and supplemented, and particularly as amended by that certain Third Amendment to Ground Lease Agreement, dated as of May 1, 2020, each between the Board and the Corporation.

**"Series 2003B Project"** means the Series 2003B Project as described in the Amended and Restated Lease Schedule No. 2003B.

**"Series 2012A Certificates"** means the Refunding Certificates of Participation (School Board of Hillsborough County, Florida Master Lease Program), Series 2012A 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

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## ARTICLE II THE SERIES 2020B CERTIFICATES

**SECTION 2.01. AUTHORIZATION OF SERIES 2020B CERTIFICATES.**

(a) There is hereby created a Series of Certificates to be issued under the Master Trust Agreement to be known as "Taxable Refunding Certificates of Participation (School Board of Hillsborough County, Florida Master Lease Program), Series 2020B 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 2020B Certificates which may be issued is hereby expressly limited to \$76,530,000. The Series 2020B Certificates shall be issued for the principal purpose of effecting the refunding, on an advanced and taxable basis, of the Refunded Certificates and paying Costs of Issuance of the Series 2020B Certificates. The Series 2020B 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 2020B Certificates shall be lettered and numbered R-1 and upward.

(b) Except as otherwise provided in the Master Trust Agreement, the Series 2020B Certificates shall be dated as of their date of delivery. Interest on the Series 2020B Certificates shall be payable on each Payment Date, commencing July 1, 2020. The Series 2020B Certificates shall be payable in the manner provided in the Master Trust Agreement.

(c) The Series 2020B 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
2021	\$ 4,875,000	1.261%
2022	4,935,000	1.361
2023	5,005,000	1.553
2024	28,100,000	1.815
2025	28,610,000	1.915
2027	5,005,000	2.191

(d) The Series 2020B Certificates maturing on July 1 in the years 2021 through 2025 shall be Serial Certificates. The Series 2020B Certificates maturing on July 1, 2027 shall be Term Certificates. The Series 2020B Certificates shall be substantially in the form set forth in Exhibit B to the Master Trust Agreement.

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**SECTION 2.02. ISSUANCE OF SERIES 2020B CERTIFICATES.** The Series 2020B Certificates shall be issued upon delivery to the Trustee of the documents referred to in Section 4.13(b) of the Master Trust Agreement and the payment of the purchase price therefor.

**SECTION 2.03. REFUNDING OF REFUNDED CERTIFICATES.** Upon the delivery of the Series 2020B Certificates, the Refunded Certificates shall be refunded as provided in the Master Trust Agreement and the Escrow Agreement.

**SECTION 2.04. LETTER OF INSTRUCTIONS NOT REQUIRED.** As contemplated by Section 6.12(f) of the Master Trust Agreement, Special Counsel has determined that a Letter of Instructions relating to the Series 2020B Certificates is unnecessary as the Series 2020B Certificates are being issued as Taxable Certificates.

**SECTION 2.05. FULL BOOK-ENTRY.** Notwithstanding the provisions set forth in Section 2.01 hereof or Section 4.06 of the Master Trust Agreement, the Series 2020B Certificates shall be initially issued in the form of a separate single certificated fully registered Series 2020B Certificate for each of the maturities of the Series 2020B Certificates. Upon initial issuance, the ownership of each such Series 2020B 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 2020B 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 2020B Certificates shall be registered in the name of Cede & Co., all payments of interest on the Series 2020B Certificates shall be made by the Trustee by check or draft or by wire transfer to Cede & Co., as Holder of the Series 2020B Certificates.

With respect to Series 2020B 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 2020B 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 2020B Certificates, 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 2020B Certificates. The Board, the Corporation and the Trustee may treat and consider the Person in whose name each Series 2020B Certificate is registered in the registration books kept by the Trustee as the Holder and absolute owner of such Series 2020B Certificate for the purpose of payment of principal of, premium, if any, and interest with respect to such Series 2020B Certificate, for providing notices with respect to

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Section 6045 of the Code. The Trustee shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

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such Series 2020B Certificate, for the purpose of registering transfers with respect to such Series 2020B Certificate, and for all other purposes whatsoever. The Trustee shall pay all principal of, premium, if any, and interest on the Series 2020B 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 2020B 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 2020B 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 2020B 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 2020B 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 2020B 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 2020B 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 2020B Certificates.

Prior to any transfer of the Series 2020B Certificates that is outside of the book-entry only system (including, but not limited to, the initial transfer outside the book-entry only system) the transferor shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under

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### ARTICLE III APPLICATION OF SERIES 2020B CERTIFICATE PROCEEDS

**SECTION 3.01. APPLICATION OF SERIES 2020B CERTIFICATE PROCEEDS.** The proceeds of the Series 2020B Certificates (net of the Underwriters' discount of \$179,939.75) shall be applied by the Trustee as follows:

(a) Deposit to the credit of a Series 2020B Subaccount of the Costs of Issuance Account an amount equal to the Costs of Issuance of the Series 2020B Certificates, \$289,999.64.

(b) Deposit irrevocably in trust to the credit of the escrow deposit trust fund established under the Escrow Agreement an amount equal to \$76,060,060.61 which, together with \$1,334,083.33 of other funds deposited in such fund by the Board, shall be sufficient to purchase Refunding Securities in the manner set forth in the Escrow Agreement, which investments shall mature at such times and in such amounts as shall be sufficient, together with a cash deposit, to pay the Refunded Certificates as the same mature or are earlier called for prepayment.

All moneys on deposit in the Subaccount described in this Section shall be applied in accordance with Section 4.01 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 2020B PLEDGED ACCOUNTS

SECTION 4.01. ESTABLISHMENT OF SERIES 2020B 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 2020B Certificates, the following accounts and subaccounts:

- (a) The "School Board of Hillsborough County, Florida Master Lease Series 2020B Subaccount of the Costs of Issuance Account."
(b) The "School Board of Hillsborough County, Florida Master Lease Series 2020B Subaccount of the Interest Account."
(c) The "School Board of Hillsborough County, Florida Master Lease Series 2020B Subaccount of the Principal Account."

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 2020B Pledged Accounts shall be invested solely in Permitted Investments.

SECTION 4.02. SECURITY FOR SERIES 2020B CERTIFICATES. The Series 2020B 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 2003B Project shall be utilized solely for the benefit of the Owners of the Series 2020B Certificates and (ii) any cash, securities and investments in the Series 2020B Pledged Accounts shall be utilized solely for the benefit of the Owners of the Series 2020B Certificates.

ARTICLE VI MISCELLANEOUS

SECTION 6.01. PROVISIONS OF MASTER 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 Master Trust Agreement and this Series 2020B Supplemental Trust Agreement, the terms hereof shall control.

SECTION 6.02. THIRD PARTY BENEFICIARIES. Nothing in this Series 2020B 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 2020B Supplemental Trust Agreement or any covenants, condition or stipulation hereof; and all covenants, stipulations, promises and agreements in this Series 2020B 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 6.03. COUNTERPARTS. This Series 2020B 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 6.04. 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 2020B Supplemental Trust Agreement, nor shall they affect its meaning, construction or effect.

SECTION 6.05. LAWS. This Series 2020B Supplemental Trust Agreement shall be construed and governed in accordance with the laws of the State.

SECTION 6.06. BROKER CONFIRMATION STATEMENTS NOT REQUIRED. Although the Corporation and the Board each recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the Corporation and the Board each hereby agree that broker confirmations of investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered, or made available, by the Trustee.

SECTION 6.07. ELECTRONIC DIRECTIONS TO TRUSTEE. The Trustee shall have the right to accept and act upon directions given pursuant to this Series 2020B Supplemental Trust Agreement, the Lease Agreement or any other document reasonably relating to the Series 2020B Certificates and delivered using Electronic Means (defined below); provided, however, that the Corporation or the Board, as the case may be,

ARTICLE V

PREPAYMENT OF SERIES 2020B CERTIFICATES

SECTION 5.01. NO PREPAYMENT OF SERIES 2020B CERTIFICATES. (a) The Series 2020B Certificates are not subject to extraordinary mandatory prepayment prior to maturity pursuant to Section 6.03(g) of the Master Trust Agreement or Section 5.08(c) of the Lease Agreement.

(b) The Series 2020B Certificates shall not be subject to prepayment at the option of the Board prior to maturity.

(c) The Series 2020B Certificates are subject to mandatory prepayment prior to maturity, in part, from payments of the Principal Component of Basic Rent Payments on each July 1 in the years and in the Amortization Installments set forth below at a Prepayment Price of par plus interest accrued to the prepayment date.

Table with 2 columns: Maturity (July 1) and Amortization Installment. Rows for 2026 (\$ 160,000) and 2027 (4,845,000\*).

\*Final Maturity

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

[Signature page to follow]

IN WITNESS WHEREOF, the parties have executed this Series 2020B 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**

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

**HILLSBOROUGH SCHOOL BOARD LEASING CORPORATION, as Lessor**

(SEAL)

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

ATTEST:

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

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**THE SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA, as Lessee**

(SEAL)

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

ATTEST:

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

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**APPENDIX E**

**MASTER LEASE-PURCHASE AGREEMENT, AS AMENDED, AND FORMS OF THE SERIES 1999  
LEASE AGREEMENT AND THE SERIES 2003B 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

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RECITALS

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.

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

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ARTICLE III

ACQUISITION OF PROJECTS;  
BOARD TO BE AGENT OF CORPORATION

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 3.01. 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.

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;

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(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

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(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.

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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 a 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, or 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

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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

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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

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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.

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

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#### 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 215.64, 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

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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

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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

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

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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.

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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

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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

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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

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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.

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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.

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exceed \$500,000, the Board shall cause the Corporation 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.

(a) 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 certificates 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

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(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

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amend the Lease Schedule relating thereto and the applicable Ground Lease to include a meter 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,

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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

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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.

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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, installation 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

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**SECTION 5.07. SELF-INSURANCE; CLAIMS RESERVE FUNDS.** 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

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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 such 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

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Project or any item supplied by any Vendor, Contractor, Developer, materialman 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

FOR SUCH PROJECT SHALL BE SUBJECT TO THE BOARD'S OBLIGATION 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 or 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, if 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, materialman 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

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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 includable 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

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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 Certificate, 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 assignee, 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 monies 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.

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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

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**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

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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 OR 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:

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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 (cumingtonite); (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, "Title III"), 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").

(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.

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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 or 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

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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 (d) 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 (b) 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,

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... fines, 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 (4) or (5) 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.

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(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

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**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

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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.

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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.

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(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 7.02. 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

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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,

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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

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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 relating.

**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

**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

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.

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.

**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 inadequacies 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

radon testing may be obtained from your county public health unit."

**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: Yvonne Kalkituck  
President

Attest:

Walter L. Sibley  
Secretary

SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA, as Lessee

(SEAL)

By: Yvonne Kalkituck  
Chairman

Attest:

Walter L. Sibley  
Superintendent/Secretary

**EXHIBIT B**

**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
--------	-------	-----------------------------	----------------------

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)(1) 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)(11) 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)(11) 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: \_\_\_\_\_

SCHEDULE I

DESCRIPTION OF EQUIPMENT

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SCHEDULE II

DESCRIPTION OF DESIGNATED EQUIPMENT

SCHEDULE III

DESCRIPTION OF BUILDINGS

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SCHEDULE IV

FORM OF REQUISITION FOR PAYMENT OF COSTS OF ISSUANCE

DESCRIPTION OF LAND

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:

Table with 4 columns: Amount, Payee, Description of Costs of Issuance, Payment Instructions

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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: \_\_\_\_\_

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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

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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

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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.

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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: \_\_\_\_\_

(SEAL)

Date: \_\_\_\_\_

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

SCHOOL BOARD OF HILLSBOROUGH  
COUNTY, FLORIDA

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

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

(SEAL)

Date: \_\_\_\_\_

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

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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]

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**SCHEDULE B**

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

**SCHEDULE C**

**DESCRIPTION OF THE LAND**

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**SCHEDULE D**

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

**EXHIBIT D**

**MEMORANDUM OF LEASE AND NOTICE OF OPTION**

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MEMORANDUM OF LEASE AND NOTICE OF OPTION

This document prepared by:

OFF REC-739876 561

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

RECORD VERIFIED  
Clerk of Circuit Court  
Hillsborough County, Fla.  
By: LUIS M. LeDuc, D.C.

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MEMORANDUM OF LEASE AND  
NOTICE OF OPTION

by and between

SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA  
(the "Board")

to

HILLSBOROUGH SCHOOL BOARD LEASING CORPORATION  
(the "Corporation")

RICHARD AKE  
CLERK OF CIRCUIT COURT  
HILLSBOROUGH COUNTY

THIS MEMORANDUM OF LEASE AND NOTICE OF OPTION is made and executed effective as of the 1st day of April, 1994 by HILLSBOROUGH SCHOOL BOARD LEASING CORPORATION, a Florida single-purpose, not-for-profit corporation with its principal office in Tampa, Florida (hereinafter referred to as the "Corporation"), and the SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA, the governing body of the School District of Hillsborough County, Florida, a body corporate and public of the State of Florida (hereinafter referred to as the "Board").

W I T N E S S E T H:

The Corporation in consideration of the rent reserved and the terms, provisions, covenants, agreements and conditions contained in that certain Master Lease Agreement between the Corporation and the School Board dated April 1, 1994 (the "Lease Agreement"), hereby leases to the Board the Corporation's right, title and interest in and to the leasehold estate (created under the Ground Lease dated as of April 1, 1994 between the Board, as ground lessor, and the Corporation, as ground lessee), in the real property described in Exhibit A, attached hereto and made a part hereof, together with all buildings and other improvements hereafter located thereon (hereinafter referred to as the "Project"), for a term commencing on the date hereof and ending on July 1, 2024 (unless such term is sooner terminated pursuant to provisions of the Lease Agreement), on the terms, provisions, covenants, agreements and conditions contained in the Lease Agreement, including but not limited to the provisions recited hereinbelow:

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, at reasonable times, and, prior to an Event of Default, upon reasonable notice, to each of the Projects. The Board represents that it is empowered to grant such right of entry to the Corporation and the Trustee.

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 of components or portions of a Project as provided in Sections 3.02(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 and the Certificates are no longer outstanding 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 4.06. 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 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 the Prepayment Price 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 prepaid on such Optional Prepayment Date designated by the Board in such notice of prepayment, all as provided in the Trust Agreement. Interest on Certificates to be prepaid 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 Debt Service 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 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 and its assignee 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 has been provided for by such refunding or defeasance of such portion of such Series of 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.

(2) 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) Title to the Project (including all substitutions thereto) upon acquisition, construction and installation thereof shall vest in the Board, subject to Permitted Encumbrances and subject to the terms of the Trust Agreement and the grant of any leasehold estate in such Projects to the Corporation in accordance with the terms hereof and of the Ground Lease. 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 leasehold estate in such Project created by the terms hereof and of the Ground Lease shall terminate and be released. 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 free and clear of any leasehold estate in the Corporation. The Corporation shall deliver any and all documents required to assure vesting of title to the Projects in the Board and the release of any leasehold interest therein granted to the Corporation by the Board when permitted by the terms hereof and of the Ground Lease. 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 in the Board. If this Lease Agreement is terminated pursuant to Sections 7.01 or 7.02 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.

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 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.

(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, fair market value upon the following conditions:

(i) The Board shall give notice to the Trustee and the applicable Credit Enhancer 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 agree to take all action within their powers required to enable the Board to sell or otherwise dispose of any such property.

SECTION 5.21. RESTRICTION AGAINST FLEDGE. 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 of Lease Agreement.

SECTION 5.22. ASSIGNMENT BY CORPORATION. Except pursuant to the Assignment of Lease 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.

THIS MEMORANDUM OF LEASE AND NOTICE OF OPTION SHALL NOT IN ANY WAY LIMIT OR MODIFY THE TERMS OF THE LEASE AGREEMENT. THE TERMS OF THE LEASE AGREEMENT AS SET FORTH THEREIN SHALL CONTROL IN ALL RESPECTS WITH RESPECT TO MATTERS NOT COVERED IN THE PROVISIONS SET FORTH HEREINABOVE.

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 whatever 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; 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, the interest of the Corporation and the Trustee shall not be in immediate 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 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 or 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.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Lease and Notice of Option as of the day and year first above written.

LESSOR: HILLSBOROUGH SCHOOL BOARD LEASING CORPORATION

WITNESS: Name: Walter L. Sickles Title: Secretary Address: 901 East Kennedy Blvd. Tampa, Florida 33602

Date: May 18, 1994

(SEAL) SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA

ATTEST: Name: Yvonne McKittrick Title: President Address: 901 East Kennedy Blvd. Tampa, Florida 33602

Date: May 18, 1994

REC-7398M 569

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 L. 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:

REC-7398M 570

The foregoing instrument was acknowledged before me this 18th day of May, 1994, by Yvonne McKittrick and Walter L. Sickles, the Chairman and Superintendent/Secretary, respectively, of the SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA.



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 \_\_\_\_\_

EXHIBIT A

REC-7398M 571

DESCRIPTION OF REAL PROPERTY

44141 577

7 of EXHIBIT A, 1984,  
Hillsborough County, Florida,  
Joining the following:

lying 7.5' either side  
the southerly 12 ft.,  
lots 11 & 12 less  
lots 13 & 14 less  
7.5' less the westerly  
Tract A, less the  
as recorded in Plat  
County, Florida,  
South, Range 20 East.

N-T hereby grants  
petual non-exclusive  
nel along the common  
Parcel over the East  
purpose of allowing  
he drainage canal and

Lot 10, 12, 13, 14 and Lot 11, less the East 200 feet of Lot 11 of INTERSTATE PARK OF COMMERCE, as recorded in Plat Book 52, page 32, Public Records of Hillsborough County, Florida.

TOGETHER WITH perpetual right-of-way easement over and across the North 30 feet of the following described property:

The East 200 feet of Lot 11 of INTERSTATE PARK OF COMMERCE, as recorded in Plat Book 52, page 32, Public Records of Hillsborough County, Florida.

AND

A tract in the NE 1/4 of the NE 1/4 of Section 19, Township 29 South, Range 20 East, Hillsborough County, Florida, described as follows: From the NE corner of said NE 1/4 of NE 1/4 of Section 19, run South along the East boundary of said NE 1/4 of the NE 1/4 of Section 19 a distance of 525.65 feet; run thence West at right angles to said East boundary of NE 1/4 of NE 1/4 of Section 19, a distance of 200 feet to the Point of Beginning, which point is on the West right-of-way line of Faulknerburg Road; then said point of beginning thence West a distance of 525.65 feet; run thence South parallel to said East boundary of the NE 1/4 of the NE 1/4 of Section 19 a distance of 463.74 feet to a point which is 200 feet North of the South boundary of said NE 1/4 of the NE 1/4 of Section 19, run thence South 87°50'00" East parallel to said South boundary of the NE 1/4 of the NE 1/4 of Section 19 a distance of 500 feet to the Point on the West right-of-way line of Faulknerburg Road, which point is 300 feet West of the East boundary of said NE 1/4 of the NE 1/4 of Section 19, run thence North along said West right-of-way line of Faulknerburg Road a distance of 467.19 feet to the Point of Beginning.

LESS AND EXCEPT: That part lying within 46.75 feet Westerly of a portion of the centerline of easement for Faulknerburg Road per Hillsborough County Project No. 86-104-11, lying within sections 19 and 20, Township 29 South, Range 20 East, Hillsborough County, Florida, said centerline of easement being more particularly described as follows: From the NE corner of the NE 1/4 of the NE 1/4 of Section 19, Township 29 South, Range 20 East, run thence S 10°16'19" West 312.88 feet along the East boundary of the SE 1/4 of said Section 19 to the centerline of survey for Bryndon Boulevard (State Road 60), thence North 15°20'42" West 21.13 feet along said centerline of easement to its intersection with the CENTERLINE OF CONSTRUCTION FOR FAULKNERBURG ROAD at Station 9+82.78, said point being the POB; thence North 11°27'17" East 157.32 feet along said centerline of survey to a point of curvature; thence Northwesterly 122.41 feet along the arc of a curve to the left, having a radius of 2864.70 feet and a central angle of 02°14'24" (clock bearing N 10°07'51" E 122.40 feet) to a point on the South boundary of the NE 1/4 of said Section 19, said point being North 87°57'17" West 16.82 feet from the Southeast corner of the NE 1/4 of said Section 19, thence thence along said Northwesterly 417.27 feet along the arc of a curve to the left, having a radius of 2604.79 feet and a central angle of 08°44'47" (clock bearing N 04°26'02" East 426.84 feet) to a point of tangency thence North 02°02'40" East 669.22 feet to a point of curvature; thence Northwesterly 447.84 feet along the arc of a curve to the left, having a radius of 11459.16 feet and a central angle of 02°14'21" (clock bearing N 01°03'00" East 447.81 feet) to a point of reverse curvature; thence Northwesterly 447.80 feet along the arc of a curve to the right, having a radius of 11459.16 feet and a central angle of 02°14'21" (clock bearing N 01°03'00" East 447.80 feet) to a point of tangency thence North 02°02'40" East 669.22 feet to a point of curvature; thence North 11°27'17" East 157.32 feet from the Southwest corner of said Section 19, Township 29 South, Range 20 East, Hillsborough County, Florida, less existing right-of-way.

THIS COPY IS ACCO

Lockhart Clement

FUND OWNER'S FORM

EXHIBITARY

Schedule A

Policy No: OPH-730528 Effective Date: March 29, 1993 Agent's File Reference: B-0047 12010/803

REC: 7398N 573

REC: 7398N 574

Amount of Insurance: \$500,000.00

DESCRIPTION: All of Blocks 40 and 46 of BONITA SUBDIVISION, Plat Book 2, Page 71, Public Records of Hillsborough County, Florida; and all of Blocks 39 and 46 of CORRECTED MAP OF BLOCKS 3, 9, 15, 21, 27, 33, 39 and 46 of BONITA SUBDIVISION, Plat Book 5, Page 15, Public Records of Hillsborough County, Florida; reserving, however, unto the City of Tampa, its successors and assigns, a perpetual easement over and across the North 25 feet of said Block 39 for sewer purposes; together with certain vacated streets and alleys in Bonita Subdivision, Plat Book 2, Page 71, and corrected Map of Bonita Subdivision, Plat Book 5, Page 15, Public Records of Hillsborough County, Florida; more particularly described as follows, to wit: That certain 13 foot alley running East and West through Block 39, that certain 13 foot alley running East and West through Block 40, that certain 13 foot alley running East and West through Block 46, that certain 13 foot alley running East and West through Block 45, that certain 13 foot alley running East and West through Block 46, 31st (Geswell) Avenue from 17th (Conway) Street to 19th (Carlington) Street, and 18th (Waller) Street from the North boundary of East Lake (Myra) Avenue to the Southern boundary of 32nd (Louisa) Avenue, reserving unto the City of Tampa certain easements, hereinbelow particularly described, for storm and sanitary sewer purposes: (a) The East 23 feet of the North 25 feet of that part or portion of 18th (Waller) Street vacated by Ordinance No. 1378-A. (b) A strip of land 25 feet wide bounded by lands parallel to and 7 feet Eastwardly and 18 feet Westwardly, respectively, from the centerline of that part or portion of 18th (Waller) Street vacated by Ordinance No. 1378-A. (c) The 13 foot alley running East and West through Block 40 and an extension Eastward thereof to the westerly boundary of the strip of land hereinabove described in subsection (b). (d) The 13 foot alley running East and West through Block 46 and Eastward extension thereof to the westerly boundary of the strip of land hereinabove described in subsection (b). (e) The 13 foot alley running East and West through Block 39 and extension Westward thereof to the easterly boundary of the strip of land hereinabove described in subsection (b). (f) The 13 foot alley running East and West through Block 45 and extension Westward thereof to the easterly boundary of the strip of land hereinabove described in subsection (b).

1. Name of Insured: The School Board of Hillsborough County,

2. The estate or interest in the land described herein and which is covered by this policy is a fee simple (if other, specify same) and is at the effective date hereof vested in the named insured as shown by instrument recorded in Official Records Book 6523 Page 1734 of the Public Records of Hillsborough County, Florida.

3. The land referred to in this policy is described as follows: The North 677.18 feet of the Northwest 1/4 of the Southeast 1/4 of Section 30, Township 29 South, Range 21 East, Hillsborough County, Florida.

I, the undersigned agent, hereby certify that:
- the transaction insured herein is governed by RESPA.
- I/ Yes to the above, I have performed all "core title agent services."

Yes No
Yes No

TRINIZ, REDMAN, MOODY,
3359
121 North Collins Street Plant City Florida 33566

THIS SURVEY NOT VALID UNLESS IMPRINTED WITH AN EMBOSSED SURVEYORS SEAL

This Survey Prepared For HILLSBOROUGH COUNTY SCHOOL BOARD

SURVEYORS CERTIFICATE
This certifies that a survey of the above described property was made under my supervision and that the same, herein is a true and accurate representation thereof.

RECEIVED
102 WEST WHITING STREET SUITE 800
TAMPA, FLORIDA 33601 TEL: 813/229-1879
HEIDT & ASSOCIATES, INC.
CIVIL ENGINEERING

Folio No. 63497.0000

REC: 7398N 575

DESCRIPTION:

A parcel of land lying in the South 1/2 of the Northeast 1/4 of the Northwest 1/4 and that part of the Southeast 1/4 of the Northwest 1/4, north of State Road 17 in Section 35, Township 28 South, Range 20 East, Hillsborough County, Florida, less right-of-way for Thonotosassa Road (Kingsway Road) on the East, being more particularly described as follows:

Commence at the Northeast corner of the Northwest 1/4 of said Section 35; run thence S.00°00'12"E. along the East boundary of said Northwest 1/4 for a distance of 665.60 feet; thence S.89°47'48"W. along the North boundary of the South 1/2 of the Northeast 1/4 of the Northwest 1/4 of said Section 35 for a distance of 20.00 feet, to a point on the West right-of-way line of Kingsway Road, as maintained and in use, said point being the Point of Beginning of the parcel herein described; thence S.00°00'12"E. along said right-of-way line for a distance of 704.40 feet, to a point on the Northerly right-of-way line of State Road No. 800 (U.S. Hwy. 92 / S.R. No. 17) as shown on the F.D.O.T. Right Of Way Map, Section Number 10030-2512; thence along said Northerly right-of-way line for the following six (6) courses: 1.) S.89°58'47"W. for a distance of 35.00 feet; 2.) S.00°00'12"E. for a distance of 60.00 feet; 3.) S.49°37'17"W. for a distance of 46.45 feet; 4.) S.74°29'36"W. for a distance of 220.38 feet; 5.) S.77°52'30"W. for a distance of 500.00 feet; 6.) S.12°07'30"E. for a distance of 5.00 feet, to a point on the Northerly right-of-way line of State Road No. 600, as maintained and in use; thence S.77°52'30"W. along said right-of-way line for a distance of 558.87 feet; thence N.00°10'00"W. along the West boundary of the Southeast 1/4 of the Northwest 1/4 of said Section 35 for a distance of 401.60 feet, to the Southwest corner of the Northeast 1/4 of the Northwest 1/4 of said section 35; thence N.00°10'00"W. along the West boundary of said Northeast 1/4 of the Northwest 1/4 of Section 35 for a distance of 664.24 feet; thence N.89°47'48"E. along the North boundary of the South 1/2 of the Northeast 1/4 of the Northwest 1/4 of said Section 35 for a distance of 1320.01 feet, to the Point Of Beginning.

Containing 27.852 acres more or less.

GENESIS SURVEYING, INC.
101 1st Avenue SW P.O. Box 187 Lutz, Florida 33549
REC: 7398N 576





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

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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.

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.

(SEAL)  
HILLSBOROUGH SCHOOL BOARD LEASING CORPORATION, as Lessor  
By: Carol W. Kusdeeb  
President

ATTEST:  
Eddy Leonard  
Secretary

(SEAL)  
SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA, as Lessee  
By: Carol W. Kusdeeb  
Chairman

ATTEST:  
Eddy Leonard  
Superintendent/Secretary

CONSENT:

MBIA INSURANCE CORPORATION

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

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.

(SEAL)  
HILLSBOROUGH SCHOOL BOARD LEASING CORPORATION, as Lessor  
By: \_\_\_\_\_  
President

ATTEST:  
\_\_\_\_\_  
Secretary

(SEAL)  
SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA, as Lessee  
By: \_\_\_\_\_  
Chairman

ATTEST:  
\_\_\_\_\_  
Superintendent/Secretary

CONSENT:

MBIA INSURANCE CORPORATION

By: Amy R. Bonch  
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

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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 changes 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: Jack R. Lamb  
President

ATTEST:

Kay Ellen Elin  
Secretary

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

(SEAL)

By: Jack R. Lamb  
Chairman

ATTEST:

Kay Ellen Elin  
Superintendent/Secretary

CONSENT:

**MBIA INSURANCE CORPORATION**

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

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:

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**MBIA INSURANCE CORPORATION**

By: W. S. [Signature]  
Title: Assistant Secretary

**THIRD AMENDED AND RESTATED  
LEASE SCHEDULE NO. 1999**

**Third Amended and Restated Lease 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 THIRD AMENDED AND RESTATED LEASE SCHEDULE NO. 1999** (the "Third Amended and Restated Lease Schedule") hereby amends and restates in its entirety Second Amended and Restated Lease Schedule No. 1999, dated as of April 1, 2010, between the Corporation and the Board (the "Prior Lease Schedule") under and pursuant to that certain Master Lease-Purchase Agreement, dated as of April 1, 1994, as amended (the "Master Lease Agreement"). The Master Lease Agreement, together with this Third Amended and Restated Lease Schedule No. 1999, is herein collectively referred to as the "Lease Agreement." This Third Amended and Restated Lease Schedule is hereby entered into under the Master 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 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 particularly as supplemented by the Series 2020A Supplemental Trust Agreement (the "Series 2020A Supplemental Trust Agreement"), dated as of May 1, 2020, among the Corporation, the Board and the Trustee (collectively, the "Trust Agreement"). Reference to "Lease Agreement" herein shall include the terms of this Third 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 2010A Certificates (as defined in the Series 2020A Supplemental Trust Agreement) to be executed, authenticated and delivered by the Trustee in connection with the refinancing of the

2. **Series 1999 Project.** The leased property, which is described in Section 7 of this Third Amended and Restated 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 Third Amended and Restated Lease Schedule and the Lease Agreement:

- (a) The Commencement Date for the Series 1999 Project was October 1, 1999.
- (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, 2029.
- (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 Refunding Certificates of Participation (School Board of Hillsborough County, Florida Master Lease Program), Series 2020A 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 "Series 2020A Certificates").
- (b) There is no Credit Enhancer for the Series 2020A Certificates.
- (c) The Reserve Requirement for the Series 2020A Certificates established in the Reserve Account under the Trust Agreement is zero (\$0.00).
- (d) There is no Optional Prepayment Date for the Series 2020A Certificates.
- (e) No Prepayment Amount is designated for purposes of 6.03(g) of the Master 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 Master Trust Agreement, shall not be applicable.

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 defeasing to maturity or refunding, on a current basis, as applicable, all of the outstanding Series 2010A Certificates (the "Refunded Certificates").

- (e) In order to accomplish such refunding, the Board and the Corporation hereby agree to cause the issuance of the Series 2020A Certificates (as hereinafter defined) pursuant to the Trust Agreement.

- (f) The Board and the Corporation further agree to use the proceeds of the Series 2020A Certificates to (i) defease to maturity or refund, on a current basis, as applicable, the Refunded Certificates pursuant to the terms of the Master Trust Agreement (including, particularly, Articles V and XII thereof) and an Escrow Deposit Agreement (Series 2010A Refunding), dated May 21, 2020 (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 2020A Certificates. The portion of the proceeds of the Series 2020A Certificates to be applied to the defeasance to maturity or refunding, as applicable, 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. The refunding of the Refunded Certificates is in the best interests of the Board and the Corporation because it results in a decrease in Basic Rent Payments associated with the portion of the Series 1999 Project refinanced with the proceeds of the Refunded Certificates.

- (g) The deposit of the prepaid Basic Rent Payments into 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 become due or are prepaid prior to maturity. The Lease Agreement will secure the payment of Supplemental Rent and any deficiency in the prepaid Basic Rent Payments on deposit in the escrow deposit trust fund relating to the Refunded Certificates.

- (h) In consideration for the deposit of such prepaid Basic Rent Payments with the Escrow Agent, the Board and the Corporation agree to enter into this Third Amended and Restated Lease Schedule, whereby the Board will continue to lease the Series 1999 Project and agree to make Basic Rent Payments sufficient to pay the principal of and interest on the Series 2020A Certificates.

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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 2020A Certificates shall be June 15 and December 15 prior to each July 1 and January 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 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.** The proceeds of the Series 2020A Certificates shall be disbursed as follows (net of an Underwriters' discount of \$138,424.50):

Deposit to Series 2020A Subaccount of Costs of Issuance Account established for the Series 2020A Certificates .....	\$256,512.45
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Deposit to Escrow Fund as prepaid Basic Rent for the Refunded Certificates .....	\$70,903,315.05
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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 Lease, is attached as Schedule C attached hereto.

10. **Title Insurance.** For purposes of Section 6.03(c) of the Master 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 Third Amended and Restated Lease Schedule are attached hereto as Schedule D.

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 Third Amended and Restated 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 Thirty-Fourth Amendment to Assignment of Lease Agreement, between the Corporation and the Trustee, dated as of May 1, 2020 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 Second Amendment to Ground Lease Agreement, dated as of May 1, 2020, each between the Board and the Corporation have been assigned to the Trustee pursuant to an Assignment of Ground Lease, dated as of October 1, 1999, as amended and supplemented.

13. Other Permitted Encumbrances. Those encumbrances set forth in the title policies delivered in connection with any Series 1999 Project component site.

14. Section 5.08(c) and (d) of the Master Lease Agreement Not Applicable. Notwithstanding the provisions set forth in Sections 5.08(c) and (d) of the Master Lease Agreement, if the Net Proceeds related to the Series 1999 Project are not greater than the amount of the Basic Rent Payments represented by the Series 2020A Certificates allocable to the Series 1999 Project coming due in the current and immediately following fiscal year under this Third Amended and Restated Lease Schedule, then such amounts shall be used first, to pay the Interest Component of the Series 2020A Certificates for the next two interest Payment Dates and then to pay the Principal Component next coming due. In the event such Net Proceeds are greater than the amount of the Basic Rent Payments coming due under this Third Amended and Restated Lease Schedule in the current and immediately following fiscal year, at the option of the Board, the Board shall apply the portion of the Net Proceeds of such insurance or condemnation award to (i) the acquisition, construction and installation of other Land and/or Buildings to be used for educational purposes that will be subject to this Third Amended and Restated Lease Schedule or (ii) upon receipt of an approving opinion of Special Counsel, to the Series 2020A Subaccount of the Interest Account or Series 2020A Subaccount of the Principal Account, as applicable, to be credited against the payments next due to such accounts or subaccounts.

15. Release of Series 1999 Project Components and Series 1999 Project Component Sites. The following provisions shall become effective upon execution by the School Board and the Corporation of this Third Amended and Restated Lease Schedule No. 1999. Purchase of the Series 2020A Certificates shall constitute consent by each holder of the Series 2020A Certificates to such provisions.

Notwithstanding anything to the contrary in the Master Lease Agreement, one or more of the facilities comprising a portion of the Series 1999 Project components as identified in Schedule B hereto, or a portion thereof, may be released from the lien of the Lease Agreement and the Series 1999 Ground Lease if after the release of such facility or facilities the total construction cost of remaining facilities components comprising the Series 1999 Project components subject to the lien of the Lease Agreement exceeds the remaining principal portion of the Basic Rent Payments payable with respect to the Series 1999 Project. The Series 1999 Project components and/or the Premises and any Servient Property (or portions thereof) released under this Section 15 shall be deemed to be paid and fee simple title to such facilities and/or facility sites (or portions thereof) shall vest in the Board.

The Corporation hereby appoints the Board as its agent to prepare and file or record in appropriate offices such documents as may be necessary to cause record title to such Premises and any Servient Property (or portions thereof) to vest in the Board, free and clear of all encumbrances except Other Permitted Encumbrances. The Corporation agrees to immediately execute all instruments necessary to vest good and marketable fee simple title to the released Premises and any Servient Property (or portions thereof) in the School Board subject only to Other Permitted Encumbrances. The Series 1999 Ground Lease Agreement shall then be modified to remove the subject Premises and modify any Servient Property (or portions thereof), as provided therein. The Corporation shall request the execution of such instruments by the Trustee as may be necessary to effect the conveyance described herein.

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

[Signature page to follow]

IN WITNESS WHEREOF, each of the parties hereto have caused this Third Amended and Restated Lease Schedule No. 1999 to be executed by their proper corporate officers, all as of the 1st day of May 2020.

**SCHEDULE A**

**HILLSBOROUGH SCHOOL BOARD  
LEASING CORPORATION**

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

(SEAL)

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

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

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

(SEAL)

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

**TOTAL BASIC RENT SCHEDULE**

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

Date	Principal Component	Interest Component	Total Basic Rent Payment
7/1/2020	-	\$ 315,000.00	\$ 315,000.00
1/1/2021	-	1,417,500.00	1,417,500.00
7/1/2021	-	1,417,500.00	1,417,500.00
1/1/2022	-	1,417,500.00	1,417,500.00
7/1/2022	-	1,417,500.00	1,417,500.00
1/1/2023	-	1,417,500.00	1,417,500.00
7/1/2023	-	1,417,500.00	1,417,500.00
1/1/2024	-	1,417,500.00	1,417,500.00
7/1/2024	-	1,417,500.00	1,417,500.00
1/1/2025	-	1,417,500.00	1,417,500.00
7/1/2025	-	1,417,500.00	1,417,500.00
1/1/2026	-	1,417,500.00	1,417,500.00
7/1/2026	-	1,417,500.00	1,417,500.00
1/1/2027	-	1,417,500.00	1,417,500.00
7/1/2027	\$18,360,000.00	1,417,500.00	19,777,500.00
1/1/2028	-	958,500.00	958,500.00
7/1/2028	-	958,500.00	958,500.00
1/1/2029	-	958,500.00	958,500.00
7/1/2029	38,340,000.00	958,500.00	39,298,500.00
<b>Total</b>	<b>\$56,700,000.00</b>	<b>\$23,994,000.00</b>	<b>\$80,694,000.00</b>

**BASIC RENT SCHEDULE BY GROUP**

**Freedom High School 31.85%**

**Middleton High School 28.70%**

Date	Principal Component	Interest Component	Total Basic Rent Payment
7/1/2020	-	\$ 90,398.17	\$ 90,398.17
1/1/2021	-	406,791.73	406,791.73
7/1/2021	-	406,791.73	406,791.73
1/1/2022	-	406,791.73	406,791.73
7/1/2022	-	406,791.73	406,791.73
1/1/2023	-	406,791.73	406,791.73
7/1/2023	-	406,791.73	406,791.73
1/1/2024	-	406,791.73	406,791.73
7/1/2024	-	406,791.73	406,791.73
1/1/2025	-	406,791.73	406,791.73
7/1/2025	-	406,791.73	406,791.73
1/1/2026	-	406,791.73	406,791.73
7/1/2026	-	406,791.73	406,791.73
1/1/2027	-	406,791.73	406,791.73
7/1/2027	\$ 5,268,921.55	406,791.73	5,675,713.28
1/1/2028	-	275,068.69	275,068.69
7/1/2028	-	275,068.69	275,068.69
1/1/2029	-	275,068.69	275,068.69
7/1/2029	11,002,747.95	275,068.69	11,277,816.64
<b>Total</b>	\$16,271,669.50	\$6,885,757.15	\$23,157,426.65

Date	Principal Component	Interest Component	Total Basic Rent Payment
7/1/2020	-	\$ 100,328.01	\$ 100,328.01
1/1/2021	-	451,476.04	451,476.04
7/1/2021	-	451,476.04	451,476.04
1/1/2022	-	451,476.04	451,476.04
7/1/2022	-	451,476.04	451,476.04
1/1/2023	-	451,476.04	451,476.04
7/1/2023	-	451,476.04	451,476.04
1/1/2024	-	451,476.04	451,476.04
7/1/2024	-	451,476.04	451,476.04
1/1/2025	-	451,476.04	451,476.04
7/1/2025	-	451,476.04	451,476.04
1/1/2026	-	451,476.04	451,476.04
7/1/2026	-	451,476.04	451,476.04
1/1/2027	-	451,476.04	451,476.04
7/1/2027	\$ 5,847,689.60	451,476.04	6,299,165.64
1/1/2028	-	305,283.80	305,283.80
7/1/2028	-	305,283.80	305,283.80
1/1/2029	-	305,283.80	305,283.80
7/1/2029	12,211,351.82	305,283.80	12,516,635.62
<b>Total</b>	\$18,059,041.42	\$7,642,127.77	\$25,701,169.19

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**Liberty Middle School 15.48%**

**Mulrennan Middle School 12.99%**

Date	Principal Component	Interest Component	Total Basic Rent Payment
7/1/2020	-	\$ 48,756.78	\$ 48,756.78
1/1/2021	-	219,405.51	219,405.51
7/1/2021	-	219,405.51	219,405.51
1/1/2022	-	219,405.51	219,405.51
7/1/2022	-	219,405.51	219,405.51
1/1/2023	-	219,405.51	219,405.51
7/1/2023	-	219,405.51	219,405.51
1/1/2024	-	219,405.51	219,405.51
7/1/2024	-	219,405.51	219,405.51
1/1/2025	-	219,405.51	219,405.51
7/1/2025	-	219,405.51	219,405.51
1/1/2026	-	219,405.51	219,405.51
7/1/2026	-	219,405.51	219,405.51
1/1/2027	-	219,405.51	219,405.51
7/1/2027	\$2,841,823.75	219,405.51	3,061,229.26
1/1/2028	-	148,359.92	148,359.92
7/1/2028	-	148,359.92	148,359.92
1/1/2029	-	148,359.92	148,359.92
7/1/2029	5,934,396.65	148,359.92	6,082,756.57
<b>Total</b>	\$8,776,220.40	\$3,713,873.60	\$12,490,094.00

Date	Principal Component	Interest Component	Total Basic Rent Payment
7/1/2020	-	\$ 40,912.39	\$ 40,912.39
1/1/2021	-	184,105.77	184,105.77
7/1/2021	-	184,105.77	184,105.77
1/1/2022	-	184,105.77	184,105.77
7/1/2022	-	184,105.77	184,105.77
1/1/2023	-	184,105.77	184,105.77
7/1/2023	-	184,105.77	184,105.77
1/1/2024	-	184,105.77	184,105.77
7/1/2024	-	184,105.77	184,105.77
1/1/2025	-	184,105.77	184,105.77
7/1/2025	-	184,105.77	184,105.77
1/1/2026	-	184,105.77	184,105.77
7/1/2026	-	184,105.77	184,105.77
1/1/2027	-	184,105.77	184,105.77
7/1/2027	\$2,384,608.03	184,105.77	2,568,713.80
1/1/2028	-	124,490.57	124,490.57
7/1/2028	-	124,490.57	124,490.57
1/1/2029	-	124,490.57	124,490.57
7/1/2029	4,979,622.64	124,490.57	5,104,113.21
<b>Total</b>	\$7,364,230.67	\$3,116,355.45	\$10,480,586.12

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A-5

Sheehy Elementary School 6.59%

Date	Principal Component	Interest Component	Total Basic Rent Payment
7/1/2020	-	\$ 20,762.80	\$ 20,762.80
1/1/2021	-	93,432.61	93,432.61
7/1/2021	-	93,432.61	93,432.61
1/1/2022	-	93,432.61	93,432.61
7/1/2022	-	93,432.61	93,432.61
1/1/2023	-	93,432.61	93,432.61
7/1/2023	-	93,432.61	93,432.61
1/1/2024	-	93,432.61	93,432.61
7/1/2024	-	93,432.61	93,432.61
1/1/2025	-	93,432.61	93,432.61
7/1/2025	-	93,432.61	93,432.61
1/1/2026	-	93,432.61	93,432.61
7/1/2026	-	93,432.61	93,432.61
1/1/2027	-	93,432.61	93,432.61
7/1/2027	\$1,210,174.79	93,432.61	1,303,607.40
1/1/2028	-	63,178.24	63,178.24
7/1/2028	-	63,178.24	63,178.24
1/1/2029	-	63,178.24	63,178.24
7/1/2029	2,527,129.70	63,178.24	2,590,307.94
<b>Total</b>	<b>\$3,737,304.49</b>	<b>\$1,581,532.30</b>	<b>\$5,318,836.79</b>

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Newsome High School Athletic Facility 2.38%

Date	Principal Component	Interest Component	Total Basic Rent Payment
7/1/2020	-	\$ 7,490.70	\$ 7,490.70
1/1/2021	-	33,708.15	33,708.15
7/1/2021	-	33,708.15	33,708.15
1/1/2022	-	33,708.15	33,708.15
7/1/2022	-	33,708.15	33,708.15
1/1/2023	-	33,708.15	33,708.15
7/1/2023	-	33,708.15	33,708.15
1/1/2024	-	33,708.15	33,708.15
7/1/2024	-	33,708.15	33,708.15
1/1/2025	-	33,708.15	33,708.15
7/1/2025	-	33,708.15	33,708.15
1/1/2026	-	33,708.15	33,708.15
7/1/2026	-	33,708.15	33,708.15
1/1/2027	-	33,708.15	33,708.15
7/1/2027	\$ 436,600.77	33,708.15	470,308.92
1/1/2028	-	22,793.13	22,793.13
7/1/2028	-	22,793.13	22,793.13
1/1/2029	-	22,793.13	22,793.13
7/1/2029	911,725.15	22,793.13	934,518.28
<b>Total</b>	<b>\$1,348,325.92</b>	<b>\$570,577.32</b>	<b>\$1,918,903.24</b>

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Spoto High School Athletic Facility 2.01%

Date	Principal Component	Interest Component	Total Basic Rent Payment
7/1/2020	-	\$ 6,351.15	\$ 6,351.15
1/1/2021	-	28,580.19	28,580.19
7/1/2021	-	28,580.19	28,580.19
1/1/2022	-	28,580.19	28,580.19
7/1/2022	-	28,580.19	28,580.19
1/1/2023	-	28,580.19	28,580.19
7/1/2023	-	28,580.19	28,580.19
1/1/2024	-	28,580.19	28,580.19
7/1/2024	-	28,580.19	28,580.19
1/1/2025	-	28,580.19	28,580.19
7/1/2025	-	28,580.19	28,580.19
1/1/2026	-	28,580.19	28,580.19
7/1/2026	-	28,580.19	28,580.19
1/1/2027	-	28,580.19	28,580.19
7/1/2027	\$ 370,181.51	28,580.19	398,761.70
1/1/2028	-	19,325.65	19,325.65
7/1/2028	-	19,325.65	19,325.65
1/1/2029	-	19,325.65	19,325.65
7/1/2029	773,026.09	19,325.65	792,351.74
<b>Total</b>	<b>\$1,143,207.60</b>	<b>\$483,776.41</b>	<b>\$1,626,984.01</b>

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SCHEDULE B

PROJECT DESCRIPTION, PROJECT BUDGET, PROJECT SCHEDULE AND DESIGNATED EQUIPMENT

PROJECT DESCRIPTION AND SCHEDULE

- Middleton High School 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 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.
- Freedom High School 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 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.
- Liberty Middle School 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 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.
- Mulrennan Middle School 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 school is a 2-story facility with approximately 1,511 student stations for grades 6 through 8. It contains approximately 128,000 square feet.
- Sheehy Elementary School was constructed in East Tampa. The site is bordered by 40<sup>th</sup> Street to the east, River Grove Street to the north, East Fern Street to the south and 39<sup>th</sup> 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.
- Athletic Facilities. Athletic Facilities at Newsome and Spoto High Schools.

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ESTIMATED PROJECT BUDGET

Middleton High School	
Building and Site Preparation	\$ 32,297,403
Furniture/Equipment	4,404,191
Total	<u>\$ 36,701,594</u>
Freedom High School	
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	
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	
Building and Site Preparation	\$ 14,617,156
Furniture/Equipment	1,993,248
Total	<u>\$ 16,610,404</u>
Sheehy Elementary School	
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 Athletic Facility	2,578,564
<b>TOTAL</b>	<b><u>\$127,889,789<sup>(1)</sup></u></b>

<sup>(1)</sup> Includes interest earnings.

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ESTIMATED DRAWDOWN SCHEDULE

<b>Date</b>	<b>Amount</b>
Nov. 1999	4,250,000.00
Dec. 1999	537,645.00
Jan. 2000	576,889.00
Feb. 2000	952,795.00
Mar. 2000	1,117,182.00
Apr. 2000	1,331,589.00
May 2000	1,881,198.00
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	2,603,991.00
Nov. 2000	2,700,863.00
Dec. 2000	2,807,750.00
Jan. 2001	2,987,007.00
Feb. 2001	3,302,940.00
Mar. 2001	3,708,377.00
Apr. 2001	4,055,227.00
May 2001	4,074,791.00
Jun. 2001	3,872,872.00
Jul. 2001	4,660,001.00
Aug. 2001	4,493,464.00
Sep. 2001	4,660,001.00
Oct. 2001	4,156,453.00
Nov. 2001	4,113,279.00
Dec. 2001	4,102,626.00
Jan. 2002	3,593,555.00
Feb. 2002	3,815,993.00
Mar. 2002	3,601,517.00
Apr. 2002	3,550,048.00
May 2002	2,911,616.00
Jun. 2002	2,910,891.00
Jul. 2002	2,912,128.00
Aug. 2002	2,910,379.00
Sep. 2002	2,911,484.00
Oct. 2002	
<b>Total</b>	<b>\$ 111,000,000.00</b>

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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.

Athletic Facilities located at Spoto High School.

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**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 – See Tab 2.1.
2. Certificate of School Board – See Tab 2.3.
3. Ground Lease Agreement – See Tab 1.14.
4. Series 2020A Supplemental Trust Agreement – See Tab 1.5.
5. Memorandum of Lease with respect to Series 1999 Project – See Tab 1.9.
6. Memorandum of Ground Lease with respect to Series 1999 Project – See Tab 1.16.

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SECOND AMENDED AND RESTATED  
LEASE SCHEDULE NO. 2003B

Second Amended and Restated Lease Schedule No. 2003B

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. 2003B** (the "Second Amended and Restated Lease Schedule") hereby amends and restates in its entirety Amended and Restated Lease Schedule No. 2003B, dated as of April 1, 2012, between the Board and the Corporation (the "Prior Lease Schedule") under and pursuant to that certain Master Lease-Purchase Agreement, dated as of April 1, 1994, between the Board and the Corporation, as amended (the "Master Lease Agreement"). The Master Lease Agreement, together with this Second Amended and Restated Lease Schedule are herein collectively referred to as the "Lease Agreement." This Second Amended and Restated Lease Schedule is hereby entered into under the Master 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 2003B Project as herein described. All capitalized terms not otherwise defined herein shall have the respective meanings thereof set forth in the (i) Lease Agreement or (ii) the Master Trust Agreement, dated as of April 1, 1994, among the Board, the Corporation and the Trustee, as amended, and particularly as supplemented by the Series 2020B Supplemental Trust Agreement (the "Series 2020B Supplemental Trust Agreement"), dated as of May 1, 2020, among the Board, the Corporation 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 2003B 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 2003B Certificates (as defined in the Series 2020B Supplemental Trust Agreement) to be executed, authenticated and delivered by the Trustee in connection with the refinancing of the

2. Series 2003B Project. The leased property, which is described in Section 6 of this Second Amended and Restated Lease Schedule (the "Series 2003B Project"), and has a Maximum Cost of \$72,516,259, 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 Second Amended and Restated Lease Schedule and the Lease Agreement:

(a) The Commencement Date for the Series 2003B Project was September 1, 2003.

(b) The Initial Lease Termination Date of the lease of the Series 2003B Project was June 30, 2004. The Maximum Lease Term commenced on the Commencement Date hereof and shall terminate on June 30, 2027.

(c) The Estimated Completion Date was September 1, 2006.

4. Certificates of Participation.

(a) The Certificates of Participation issued under the Trust Agreement and related to this Second Amended and Restated Lease Schedule are identified as the "Taxable Refunding Certificates of Participation (School Board of Hillsborough County, Florida Master Lease Program), Series 2020B 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 "Series 2020B Certificates").

(b) There is no Credit Enhancer for the Series 2020B Certificates.

(c) The Reserve Requirement for the Series 2020B Certificates is zero dollars (\$0.00).

(d) There is no Optional Prepayment Date for the Series 2020B Certificates.

(e) No Prepayment Amount is designated for purposes of 6.03(g) of the Master Trust Agreement.

(f) The Closure Date of the Series 2003B Subaccount of the Project Account for purposes of Section 6.03(g) of the Master 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 2003B Project under the Lease

costs of acquisition and construction and the Board's leasing of the Series 2003B 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 an advanced and taxable basis, all of the outstanding Series 2012A Certificates (the "Refunded Certificates").

(e) In order to accomplish such refunding, the Board and the Corporation hereby agree to cause the issuance of the Series 2020B Certificates (as defined herein) pursuant to the Master Trust Agreement and the Series 2020B Supplemental Trust Agreement.

(f) The Board and the Corporation further agree to use a portion of the proceeds of the Series 2020B Certificates to (i) prepay the Refunded Certificates pursuant to the terms of the Master Trust Agreement (including, particularly, Articles V and XII thereof) and an Escrow Deposit Agreement (Series 2012A Refunding), dated May \_\_, 2020, (the "Escrow Deposit Agreement"), between the Board and U.S. Bank National Association, as Escrow Agent, in order to restructure and reduce certain Basic Rent Payments payable under the Lease Agreement as aforesaid and (ii) pay costs associated with the issuance of the Series 2020B Certificates. The portion of the proceeds of the Series 2020B 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. The refunding of the Refunded Certificates is in the best interests of the Board and the Corporation because it results in a decrease in Basic Rent Payments associated with the portion of the Series 2003B Project refinanced with the proceeds of the Refunded Certificates.

(g) The deposit of the prepaid Basic Rent Payments into 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 become due or are prepaid prior to maturity. The Lease Agreement will secure the payment of Supplemental Rent and any deficiency in the prepaid Basic Rent Payments on deposit in the escrow deposit trust fund relating to the Refunded Certificates.

(h) In consideration for the deposit of such prepaid Basic Rent Payments with the Escrow Agent, the Board and the Corporation agree to enter into this Second Amended and Restated Lease Schedule, whereby the Board will continue to lease the Series 2003B Project and agree to make Basic Rent Payments sufficient to pay the principal of and interest on the Series 2020B Certificates.

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Agreement is described in Schedule A attached hereto. The Basic Rent Payment Dates with respect to the Series 2020B Certificates shall be June 15 and December 15 prior to each July 1 and January 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 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. The proceeds of the Series 2020B Certificates (net of an Underwriters' discount of \$\_\_\_\_\_ ) shall be disbursed as follows:

Deposit to the Series 2020B Subaccount of  
the Costs of Issuance Account established for  
the Series 2020B Certificates ..... \$\_\_\_\_\_

Deposit to Escrow Fund as prepaid Basic Rent  
for the Refunded Certificates..... \$\_\_\_\_\_

7. The Series 2003B Project. The Project Description, Project Budget and Project Schedule for the Series 2003B Project are attached hereto as Schedule B.

8. Designated Equipment. The Designated Equipment for the Series 2003B Project is attached hereto as part of Schedule B.

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

10. Title Insurance. For purposes of Section 6.03(c) of the Master Trust Agreement, the amount of title insurance applicable to each site on which the Series 2003B Project is located shall be \$1,000,000 per each Series 2003B Project site.

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

12. Assignment of Lease Agreement and Assignment of Ground Lease. The Corporation hereby acknowledges that all Lease Payments and its rights, title and interest in this Second Amended and Restated 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 Thirty-Fourth Amendment to Assignment of Lease Agreement, between the Corporation and the Trustee, dated as of May 1, 2020 and that all of its rights, title and interest in the Ground Lease Agreement, dated as of September 1, 2003, as supplemented and amended, particularly as amended by the Second Amendment to Ground Lease Agreement, dated as of May 1, 2020, each between the Board and the Corporation have been assigned to the

Trustee pursuant to an Assignment of Ground Lease, dated as of September 1, 2003, as amended and supplemented.

13. Other Permitted Encumbrances. Those encumbrances set forth in the title policies delivered in connection with any Series 2003B Project component site.

14. Section 5.08(c) and (d) of the Master Lease Agreement Not Applicable. Notwithstanding the provisions set forth in Sections 5.08(c) and (d) of the Master Lease Agreement, if the Net Proceeds related to the Series 2003B Project are not greater than the amount of the Basic Rent Payments represented by the Series 2020B Certificates allocable to the Series 2003B Project coming due in the current and immediately following fiscal year under this Second Amended and Restated Lease Schedule, then such amounts shall be used first, to pay the Interest Component of the Series 2020B Certificates for the next two interest Payment Dates and then to pay the Principal Component next coming due. In the event such Net Proceeds are greater than the amount of the Basic Rent Payments coming due under this Second Amended and Restated Lease Schedule in the current and immediately following fiscal year, at the option of the Board, the Board shall apply the portion of the Net Proceeds of such insurance or condemnation award to (i) the acquisition, construction and installation of other Land and/or Buildings to be used for educational purposes that will be subject to this Second Amended and Restated Lease Schedule or (ii) upon receipt of an approving opinion of Special Counsel, to the Series 2020B Subaccount of the Interest Account or Series 2020B Subaccount of the Principal Account, as applicable, to be credited against the payments next due to such accounts or subaccounts.

15. Release of Series 2003B Project Components and Series 2003B Project Component Sites. The following provisions shall become effective upon execution by the School Board and the Corporation of this Second Amended and Restated Lease Schedule No. 2003B. Purchase of the Series 2020A Certificates shall constitute consent by each holder of the Series 2020A Certificates to such provisions.

Notwithstanding anything to the contrary in the Master Lease Agreement, one or more of the facilities comprising a portion of the Series 2003B Project components as identified in Schedule B hereto, or a portion thereof, may be released from the lien of the Lease Agreement and the Series 2003B Ground Lease if after the release of such facility or facilities the total construction cost of remaining facilities components comprising the Series 2003B Project components subject to the lien of the Lease Agreement exceeds the remaining principal portion of the Basic Rent Payments payable with respect to the Series 2003B Project. The Series 2003B Project components and/or the Premises and any Servient Property (or portions thereof) released under this Section 15 shall be deemed to be paid and fee simple title to such facilities and/or facility sites (or portions thereof) shall vest in the Board.

The Corporation hereby appoints the Board as its agent to prepare and file or record in appropriate offices such documents as may be necessary to cause record title to such

Premises and any Servient Property (or portions thereof) to vest in the Board, free and clear of all encumbrances except Other Permitted Encumbrances. The Corporation agrees to immediately execute all instruments necessary to vest good and marketable fee simple title to the released Premises and any Servient Property (or portions thereof) in the School Board subject only to Other Permitted Encumbrances. The Series 2003B Ground Lease Agreement shall then be modified to remove the subject Premises and modify any Servient Property (or portions thereof), as provided therein. The Corporation shall request the execution of such instruments by the Trustee as may be necessary to effect the conveyance described herein.

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

[Signature page to follow]

IN WITNESS WHEREOF, each of the parties hereto have caused this Second Amended and Restated Lease Schedule No. 2003B to be executed by their proper corporate officers, all as of the 1st day of May 2020.

SCHEDULE A

**HILLSBOROUGH SCHOOL BOARD LEASING CORPORATION**

**TOTAL BASIC RENT SCHEDULE**  
(Rent due on June 15 and December 15 next preceding each Certificate Payment Date)

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

(SEAL)

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

**SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA**

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

(SEAL)

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

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

PROJECT DESCRIPTION AND SCHEDULE

1. Spoto High School was constructed on an approximately 50-acre site located North of Bloomingdale Avenue, East of Faulkenburg Road, South of Causeway Boulevard. The school is approximately 180,000 square feet and accommodates approximately 2,501 student stations for grades 9 through 12. The school opened in August 2006.
2. Fishhawk Elementary School was constructed on an approximately 14-acre site located East of Osprey Ridge Boulevard, South of Fishhawk Boulevard., West of Boyette Road. The school is approximately 77,855 square feet and accommodates approximately 947 student stations for grades Kindergarten through 5. The school opened in August 2005.
3. Frost Elementary School was constructed on an approximately 15-acre site located in the West Brandon 301 corridor area. The school is approximately 77,855 square feet and accommodates approximately 941 student stations for grades Kindergarten through 5. The school opened in August 2005.
4. Classroom Additions to Knights Elementary School located at 4815 N. Keene Road, Plant City. Renovations add 4 classrooms which accommodate approximately 100 additional student stations. This project was completed in August 2004.
5. Sam Rampello Downtown Partnership School was constructed on an approximately 2-acre site located 802 E. Washington Street. The new school is approximately 110,267 square feet and accommodates approximately 1,226 student stations for grades K through 8. The elementary school component was completed in December 2004 and the remainder of the school was completed in April 2005.

Under certain conditions set forth in the Master Lease, the Board may substitute or add components to the above described Project and modify the Plans and Specifications thereof. Under certain conditions set forth in the Master Lease, the Board may substitute or add components to the above described Project and modify the Plans and Specifications thereof.

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ESTIMATED PROJECT BUDGET\*

ESTIMATED DRAWDOWN SCHEDULE

Spoto High School		
	Building & Site Preparation	\$35,337,771
	Furniture, Fixtures and Equipment	<u>3,072,850</u>
		\$38,410,621
Fishhawk Elementary School		
	Building & Site Preparation	\$8,542,162
	Furniture, Fixtures and Equipment	<u>742,797</u>
		\$9,284,959
Frost Elementary School "Z"		
	Building & Site Preparation	\$9,136,838
	Furniture, Fixtures and Equipment	<u>794,942</u>
		\$9,931,780
Knights Elementary School (Classroom additions)		
	Building & Site Preparation	\$686,895
	Furniture, Fixtures and Equipment	<u>59,730</u>
		\$746,625
Rampello Downtown		
	Building & Site Preparation	\$12,833,306
	Furniture, Fixtures and Equipment	<u>1,115,940</u>
		\$13,949,246
	Total	<u>\$72,323,231</u>

PER.	MONTH	AMOUNT
1	Sep-03	290,000.00
2	Oct-03	1,522,468.63
3	Nov-03	1,754,468.63
4	Dec-03	1,754,468.63
5	Jan-04	1,754,468.63
6	Feb-04	1,754,468.63
7	Mar-04	3,435,454.25
8	Apr-04	3,497,673.00
9	May-04	3,497,673.00
10	Jun-04	3,497,673.00
11	Jul-04	3,497,673.00
12	Aug-04	4,086,236.12
13	Sep-04	3,564,236.12
14	Oct-04	3,564,236.12
15	Nov-04	3,564,236.12
16	Dec-04	3,564,236.12
17	Jan-05	3,489,573.62
18	Feb-05	3,489,573.62
19	Mar-05	3,489,573.62
20	Apr-05	3,489,573.62
21	May-05	3,489,573.62
22	Jun-05	3,489,573.62
23	Jul-05	3,489,573.62
24	Aug-05	3,489,573.66
		72,516,259.00

\* Includes investment earnings.

DESIGNATED EQUIPMENT

**EXHIBIT A TO SCHEDULE B**

All equipment components not constituting fixtures of the educational facilities described under the heading "PROJECT DESCRIPTION AND SCHEDULE" above and the classroom additions at Knights Elementary School.

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

[Not Required - See Attached FDOE Waiver]

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Exhibit A to Schedule B-1

**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 – See Tab \_\_\_\_.
2. Certificate of School Board – See Tab \_\_\_\_.
3. Ground Lease Agreement – See Tab \_\_\_\_.
4. Series 2020B Supplemental Trust Agreement – See Tab \_\_\_\_.
5. Memorandum of Lease with respect to Series 2003B Project – See Tab \_\_\_\_.
6. Memorandum of Ground Lease with respect to Series 2003B Project – See Tab \_\_\_\_.

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**APPENDIX F**

**ASSIGNMENT OF LEASE AGREEMENT AND FORM OF THIRTY-FOURTH AMENDMENT TO  
ASSIGNMENT OF LEASE AGREEMENT**

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RECORD VERIFIED  
Richard Ake  
Clerk of Circuit Court  
Hillsborough County, Fla.  
By Lisa M. Lebow, D.C.

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OFF. REC. 7398 581

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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

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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 :

ASSIGNMENT OF LEASE AGREEMENT

OFF. REC. 7398 582

OFF. REC. 7398 583

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 assignees. 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 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 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

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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

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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.

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

(SEAL)

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

(SEAL)

By: Shari B. Sawyer  
 Name: Shari B. Sawyer  
 Title: Vice President  
 Address: 400 North Ashley Dr.  
 6th Floor  
 Tampa, Florida 33602

Attest:

Jeanne Milkey  
 Name: Jeanne Milkey  
 Title: Trust Officer  
 Address: 400 North Ashley Dr.  
 6th Floor  
 Tampa, Florida 33602

STATE OF FLORIDA )  
 ) SS:  
COUNTY OF HILLSBOROUGH )

OFF. 7398M 588  
REC. 7398M 588

The foregoing instrument was acknowledged before me this 18th day of May, 1994, by Yvonne McKitrick and Walter Sickles, the President and Secretary, respectively, of the HILLSBOROUGH SCHOOL BOARD LEASING CORPORATION.



*Charise Ann Simpson*  
Name: Charise Ann Simpson  
Notary Public, State of Florida

(NOTARIAL SEAL)

My Commission Expires:

Personally Known  or Produced Identification

Type of Identification Produced \_\_\_\_\_

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STATE OF FLORIDA )  
 ) SS:  
COUNTY OF HILLSBOROUGH )

OFF. 7398M 589  
REC. 7398M 589

The foregoing instrument was acknowledged before me this 17th day of May, 1994, by Shari B. Sawyers and Jeanne Milkey, the Vice President and Trust Officer, respectively, of NATIONSBANK OF FLORIDA, N.A.

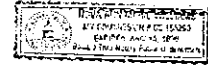
*Shari B. Sawyers*  
Name:  
Notary Public, State of Florida

(NOTARIAL SEAL)

My Commission Expires:

Personally Known  or Produced Identification

Type of Identification Produced \_\_\_\_\_



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This document prepared by:

Ritesh S. Patel, Esq.  
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2502 Rocky Point Drive  
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Tampa, Florida 33607

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**THIRTY-FOURTH 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 May 1, 2020

**THIRTY-FOURTH AMENDMENT TO  
ASSIGNMENT OF LEASE AGREEMENT**

**THIS THIRTY-FOURTH AMENDMENT TO ASSIGNMENT OF LEASE AGREEMENT**, is made and entered into as of May 1, 2020, 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 Thirty-Fourth 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 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 December 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.

(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

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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 amended the Assignment Agreement to acknowledge Second Amended and Restated Lease Schedule No. 1999 by entering into the Twenty-Second Amendment to Assignment of Lease Agreement (the "Twenty-Second Amendment to Assignment Agreement"), which Twenty-Second Amendment to Assignment Agreement has been recorded at Official Records Book 19827, Page 904, of the Public Records of Hillsborough County, Florida.

(y) The Corporation and the Trustee amended the Assignment Agreement to acknowledge Lease Schedule No. 2010B by entering into the Twenty-Third Amendment to Assignment of Lease Agreement (the "Twenty-Third Amendment to Assignment Agreement"), which Twenty-Third Amendment to Assignment Agreement has been recorded at Official Records Book 20283, Page 222, of the Public Records of Hillsborough County, Florida.

(z) The Corporation and the Trustee amended the Assignment Agreement to acknowledge Fourth Amended and Restated Lease Schedule No. 1998 by entering into the Twenty-Fourth Amendment to Assignment of Lease Agreement (the "Twenty-Fourth Amendment to Assignment Agreement"), which Twenty-Fourth Amendment to Assignment Agreement has been recorded at Official Records Book 20669, Page 1113, of the Public Records of Hillsborough County, Florida.

(aa) The Corporation and the Trustee amended the Assignment Agreement to acknowledge Amended and Restated Lease Schedule No. 2002 and Amended and Restated Lease Schedule No. 2003B by entering into the Twenty-Fifth Amendment to Assignment of Lease Agreement (the "Twenty-Fifth Amendment to Assignment Agreement"), which Twenty-Fifth Amendment to Assignment Agreement has been recorded at Official Records Book 21058, Page 1344, of the Public Records of Hillsborough County, Florida.

(bb) The Corporation and the Trustee amended the Assignment Agreement to acknowledge Second Amended and Restated Lease Schedule No. 2002 and Amended and Restated Lease Schedule No. 2004B by entering into the Twenty-Sixth Amendment to Assignment of Lease Agreement (the "Twenty-Sixth Amendment to Assignment Agreement"), which Twenty-Sixth Amendment to Assignment Agreement has been recorded at Official Records Book 22510, Page 113, of the Public Records of Hillsborough County, Florida.

(cc) The Corporation and the Trustee amended the Assignment Agreement to acknowledge Fourth Amended and Second Restated Lease Schedule No. 2000, Third Amended and Restated Lease Schedule No. 2006A by entering into the Twenty-Seventh Amendment to Assignment of Lease Agreement (the "Twenty-Seventh Amendment to Assignment Agreement"), which Twenty-Seventh Amendment to Assignment Agreement

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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 Official Records Book 17331, Page 742, of the Public Records of Hillsborough County, Florida.

(u) The Corporation and the Trustee amended the Assignment Agreement to acknowledge 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 amended the Assignment Agreement to acknowledge Lease Schedule No. 2007 (the "Twentieth Amendment to Assignment Agreement"), which Twentieth 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 amended the Assignment Agreement to acknowledge 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

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has been recorded at Official Records Book 23534, Page 440, of the Public Records of Hillsborough County, Florida.

(dd) The Corporation and the Trustee amended the Assignment Agreement to acknowledge Fourth Amended and Restated Lease Schedule No. 2004C by entering into the Twenty-Eighth Amendment to Assignment of Lease Agreement (the "Twenty-Eighth Amendment to Assignment Agreement"), which Twenty-Eighth Amendment to Assignment Agreement has been recorded at Official Records Book 23614, Page 569, of the Public Records of Hillsborough County, Florida.

(ee) The Corporation and the Trustee amended the Assignment Agreement to acknowledge Second Amended and Restated Lease Schedule No. 2007 by entering into the Twenty-Ninth Amendment to Assignment of Lease Agreement (the "Twenty-Ninth Amendment to Assignment Agreement"), which Twenty-Ninth Amendment to Assignment Agreement has been recorded at Official Records Book 24003, Page 1077, of the Public Records of Hillsborough County, Florida.

(ff) The Corporation and the Trustee amended the Assignment Agreement to acknowledge Fifth Amended and Restated Lease Schedule No. 1998 and Amended and Restated Lease Schedule No. 2001B by entering into the Thirtieth Amendment to Assignment of Lease Agreement (the "Thirtieth Amendment to Assignment Agreement"), which Thirtieth Amendment to Assignment Agreement has been recorded at Official Records Book 25004, Page 825, of the Public Records of Hillsborough County, Florida.

(gg) The Corporation and the Trustee amended the Assignment Agreement to acknowledge Third Amended and Restated Lease Schedule No. 2002 by entering into the Thirty-First Amendment to Assignment of Lease Agreement (the "Thirty-First Amendment to Assignment Agreement"), which Thirty-First Amendment to Assignment Agreement has been recorded at Official Records Book 25391, Page 1103 of the Public Records of Hillsborough County, Florida.

(hh) The Corporation and the Trustee amended the Assignment Agreement to acknowledge Sixth Amended and Restated Lease Schedule No. 1998 by entering into the Thirty-Second Amendment to Assignment of Lease Agreement (the "Thirty-Second Amendment to Assignment Agreement"), which Thirty-Second Amendment to Assignment Agreement has been recorded at Official Records Book 25391, Page 882 of the Public Records of Hillsborough County, Florida.

(ii) The Corporation and the Trustee amended the Assignment Agreement to acknowledge Fifth Amended and Restated Lease Schedule No. 2004C by entering into the Thirty-Third Amendment to Assignment of Lease Agreement (the "Thirty-Third Amendment to Assignment Agreement"), which Thirty-Third Amendment to Assignment Agreement has been recorded at Official Records Book 26236, Page 1985 of the Public Records of Hillsborough County, Florida.

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(jj) The Corporation and the Trustee deem it necessary to further amend the Assignment Agreement to acknowledge Third Amended and Restated Lease Schedule No. 1999 and Second Amended and Restated Lease Schedule No. 2003B by entering into this Thirty-Fourth Amendment to Assignment of Lease Agreement.

(kk) 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.

(ll) 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.

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

(nn) The capitalized words and terms used in this Thirty-Fourth 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 amended and supplemented by Third Amended and Restated Lease Schedule No. 1999 and Second Amended and Restated Lease Schedule No. 2003B (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.

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

(SEAL)

**HILLSBOROUGH SCHOOL BOARD LEASING CORPORATION**, as Lessor

Witness: \_\_\_\_\_ By: \_\_\_\_\_  
Name: \_\_\_\_\_ Name: Melissa Snively  
Title: President  
Address: 901 East Kennedy Boulevard  
Name: \_\_\_\_\_ 3rd Floor  
Tampa, Florida 33602

ATTEST:

Witness: \_\_\_\_\_ By: \_\_\_\_\_  
Name: \_\_\_\_\_ Name: Addison Davis  
Title: Secretary  
Address: 901 East Kennedy Boulevard  
Name: \_\_\_\_\_ 3rd Floor  
Tampa, Florida 33602

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, as Trustee (successor to NationsBank of Florida, N.A.)

Witness: \_\_\_\_\_ By: \_\_\_\_\_  
Name: \_\_\_\_\_ Name: Tamara Klement-Ellis  
Title: Director  
Address: 10161 Centurion Parkway N.  
Name: \_\_\_\_\_ 2nd Floor  
Jacksonville, FL 32256

**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. CORPORATION'S REPRESENTATIONS, WARRANTIES, AND COVENANTS.** The Corporation hereby confirms that the representations, warranties, and covenants of the Corporation set forth in Section 5 of the Assignment Agreement are true and correct and in full force as of the date hereof.

**SECTION 5. 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 Thirty-Fourth Amendment to Assignment Agreement and the Assignment Agreement, the terms of this Thirty-Fourth Amendment to Assignment Agreement shall govern.

**SECTION 6. COUNTERPARTS.** This Thirty-Fourth Amendment to Assignment Agreement may be executed in counterparts, and each of said counterparts shall be deemed an original for all purposes of this Thirty-Fourth Amendment to Assignment Agreement. All of such counterparts taken together shall be deemed to be one and the same instrument.

**SECTION 7. LAW.** This Thirty-Fourth Amendment to Assignment Agreement shall be construed under the laws of the State of Florida.

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STATE OF FLORIDA )  
) SS:  
COUNTY OF HILLSBOROUGH)

The foregoing instrument was acknowledged before me by means of  physical presence or  online notarization, this 20th day of May, 2020, by Melissa Snively and Addison Davis, 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)

\_\_\_\_\_  
Notary Public, State of Florida  
Name:  
My Commission Expires:  
My Commission No.:

STATE OF FLORIDA            )  
  ) SS:  
COUNTY OF DUVAL        )

The foregoing instrument was acknowledged before me by means of  physical presence or  online notarization, this \_\_\_\_ day of May, 2020, by Tamara Klement-Ellis, Director 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)

\_\_\_\_\_  
Notary Public, State of Florida  
Name:  
My Commission Expires:  
My Commission No.:

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**APPENDIX G**

**COMPOSITE SERIES 1999 GROUND LEASE AGREEMENT AND COMPOSITE SERIES 2003B  
GROUND LEASE AGREEMENT**

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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

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**GROUND LEASE AGREEMENT**

**THIS GROUND LEASE AGREEMENT** (hereinafter referred to as this "Ground Lease") is made and entered into as of 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 agrees 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.

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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.

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(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

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(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

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Encumbrances without necessity of any act by the Corporation or any Permitted Transferee. Upon such termination of this Ground Lease, the Corporation or its assignee shall peaceably and quietly surrender to the Board the Premises together with any improvements located in or upon the Premises. Upon such surrender of the Premises, the Corporation or any Permitted Transferee, at the reasonable request of the Board, shall execute an instrument in recordable form evidencing such surrender and shall deliver to the Board all books, records, construction plans, surveys, permits and other documents relating to, and necessary or convenient for, the operation of the Premises and the improvements thereon in the possession of the Corporation or any Permitted Transferee.

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

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

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

#### SECTION 6. BOARD'S INTEREST NOT SUBJECT TO CERTAIN LIENS.

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

#### SECTION 7. INSURANCE.

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

#### SECTION 8. CONDITION OF PREMISES, UTILITIES, CONCEALED CONDITIONS.

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

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(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 Mortgagee and Permitted Transferee (whether the interest of such party in the Premises arises prior or subsequent to such grants) against any loss, claim, liability or damages, including legal costs and defense arising or accruing from the use or exercise of such easement.

#### SECTION 11. DUTIES DEEMED PERFORMED.

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

#### SECTION 12. TAXES AND FEES.

(a) The Board represents and warrants that this Ground Lease is and will be exempt from ad valorem and intangible taxation. However, for as long as the Lease Agreement is in effect, should the Premises thereon or any interest therein ever become subject to any such taxes, the Board agrees to pay any and all such lawful taxes, assessments or charges which at any time may be levied by any federal, state, county, city, or any tax or assessment levying body upon the Premises or the Series 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.

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(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 duly constituted investor-owned utility as required or permitted by law, and the Corporation or the Trustee as assignee of the Corporation shall cooperate in such dedication by executing any deeds or other instruments required to effect such dedication.

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

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

(b) Except as expressly provided in this Section 9(b), the Corporation or its assignee shall not assign this Ground Lease, or any portion hereof, or sublease all or any portion of the Premises at any time. Except as expressly permitted in this Section 9(b), any purported assignment, partial assignment or sublease without the Board's prior written consent in violation of this Section 9(b) shall be null and void. So long as the Lease Agreement has not been terminated, (i) the Corporation may assign this Ground Lease to the Trustee for the benefit of the Owners of the Series 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 Sublessee 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).

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(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

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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.

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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.

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

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

(b) If the Lease Agreement shall have been terminated, (i) if such Person acquires title to such substantial portion thereof that the Corporation determines that it cannot economically make use of the residue for the lawful purposes intended by this Ground Lease, such acquisition of title shall terminate this Ground Lease, effective as of the date on which the condemning party takes possession thereof, and the Net Proceeds resulting therefrom shall be applied first to payment of the amount secured by any Leasehold Mortgage then outstanding hereunder, second, 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

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**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 Centurion 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.

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

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

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

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

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

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

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

SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA, as Lessor

(SEAL)

By: Ann S. Olson  
Chairman

ATTEST:  
Earl J. Lennard  
Superintendent/Secretary

HILLSBOROUGH BOARD LEASING CORPORATION, as Lessee

(SEAL)

By: Ann S. Olson  
President

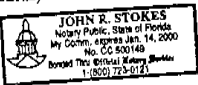
ATTEST:  
Earl J. Lennard  
Secretary

STATE OF FLORIDA )  
 ) SS:  
COUNTY OF HILLSBOROUGH )

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)



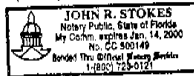
John R. Stokes  
Name: \_\_\_\_\_  
Notary Public, State of Florida  
My Commission Expires: \_\_\_\_\_

STATE OF FLORIDA )  
 ) SS:  
COUNTY OF HILLSBOROUGH )

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)



John R. Stokes  
Name: \_\_\_\_\_  
Notary Public, State of Florida  
My Commission Expires: \_\_\_\_\_

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., 938.07 feet; thence N.32°01'32"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 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 15°14'16" (chord bearing N.49°22'52"E., 338.09 feet) to a point of reverse curvature; thence Northeastly, 74.38 feet along the arc of a curve to the right having a radius of 50.00 feet and a central angle of 85°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 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°41'30"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°49'58"W., 26.28 feet; thence N.60°14'22"W., 28.13 feet; thence S.74°01'17"W., 51.51 feet; thence S.33°27'06"W., 74.63 feet; thence S.65°26'49"W., 48.27 feet; thence N.82°43'10"W., 490.34 feet to the POINT OF BEGINNING.

Together with the following two non-exclusive easements:

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:

COMMERCIAL 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.15°01'58"E., 73.21 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°11'50" (chord bearing N.11°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 Northwestly, 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., 67.71 feet) to a point of cusp; thence Northeastly, 211.94 feet along the arc of a curve to the left having a radius of 1275.00 feet and a central angle of 05°31'22" (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 Southeastly, 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., 107.32 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, 274.16 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., 18.00 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°21'10"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., 171.85 feet); 5) S.79°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., 155.32 feet) to a point of tangency; thence N.19°18'10"W., 106.46 feet to a point of curvature; thence Northerly, 354.54 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.05°55'06"E., 16.00 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.

EXHIBIT B

DESCRIPTION OF SUBJECT 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 9898, page 1244, 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 3814, Page 333; thence along said Westerly right-of-way line the following three (3) courses: 1) N.33°04'48"W., 23.97 feet to a point on a curve; thence Northerly, 157.22 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.75°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°49'48"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 875.00 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 Northwestly, 60.14 feet along the arc of a curve to the right having a radius of 275.00 feet and a central angle of 16°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., 14.25 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 259.00 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.56°44'25"E., 227.17 feet to a point of curvature; thence Southeastly, 73.16 feet along the arc of a curve to the left having a radius of 251.00 feet and a central angle of 16°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 651.00 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°49'48"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.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 hereafter 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] as modified hereby remains in full force and effect in accordance with the terms and provisions thereof.





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

**INSTR # 2001032645**  
**OR BK 10589 PG 1001**  
RECORDED 02/01/2001 12:32 PM  
RICHARD ABE, CLERK OF COURT  
HILLSBOROUGH COUNTY  
DEPUTY CLERK: B King

**FIRST GROUND LEASE SUPPLEMENT**

This First Ground Lease Supplement ("Subject Supplement") is made and entered into as of January 30, 2001 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 therein 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 09977 at Page 0569 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:

- The foregoing recitations are true and correct and are incorporated herein by reference.
- The Subject Parcel is hereby declared to be a part of the Premises (as defined in the Ground Lease) which constitutes a portion of the Project and, therefore, is a part of the Premises as set forth in the Ground Lease with the leasehold estate, operation and effect of the Ground Lease applying to the Subject Parcel as fully and to the same extent as if the Subject Parcel were described in the Ground Lease and therein set forth to be a part of the Premises.

3. The Ground Lease, as modified by previous Ground Lease Supplements and] as modified hereby remains in full force and effect in accordance with the terms and provisions thereof.  
**IN WITNESS WHEREOF**, each of the parties hereto have caused this Subject Supplement to be executed by their duly authorized officers or agents, all as of the day and year first above written

**SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA**

By: Kenneth Arvin  
Witness  
Kenneth Arvin  
Print Name

By: Joe E. Newsome  
Chairman  
(SEAL)

By: Steve Brady  
Witness  
STEVE BRADY  
Print Name

Attest: Earl J. Lennard  
Secretary

**HILLSBOROUGH SCHOOL BOARD LEASING CORPORATION**

By: Kenneth Arvin  
Witness  
Kenneth Arvin  
Print Name

By: Joe E. Newsome  
President  
(SEAL)

By: Steve Brady  
Witness  
STEVE BRADY  
Print Name

Attest: Earl J. Lennard  
Secretary

**SIMULTANEOUS ASSIGNMENT**

All of the rights of Hillsborough School Board Leasing Corporation hereunder are hereby assigned without recourse or warranty to The Bank of New York, as Trustee, as successor in interest to and assignee of Hillsborough School Board Leasing Corporation under the Assignment.

**HILLSBOROUGH SCHOOL BOARD LEASING CORPORATION**

By: Joe E. Newsome  
President

Dated, January 30, 2001

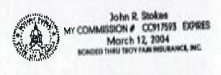
STATE OF FLORIDA )  
COUNTY OF HILLSBOROUGH ) SS:

The foregoing instrument was acknowledged before me this 30th day of January, 2001, by Joe E. Newsome and Dr. Earl J. Lennard, the President and Secretary, respectively, of the Hillsborough County 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)

John R. Stokes  
Name:  
Notary Public, State of Florida  
My Commission Expires:



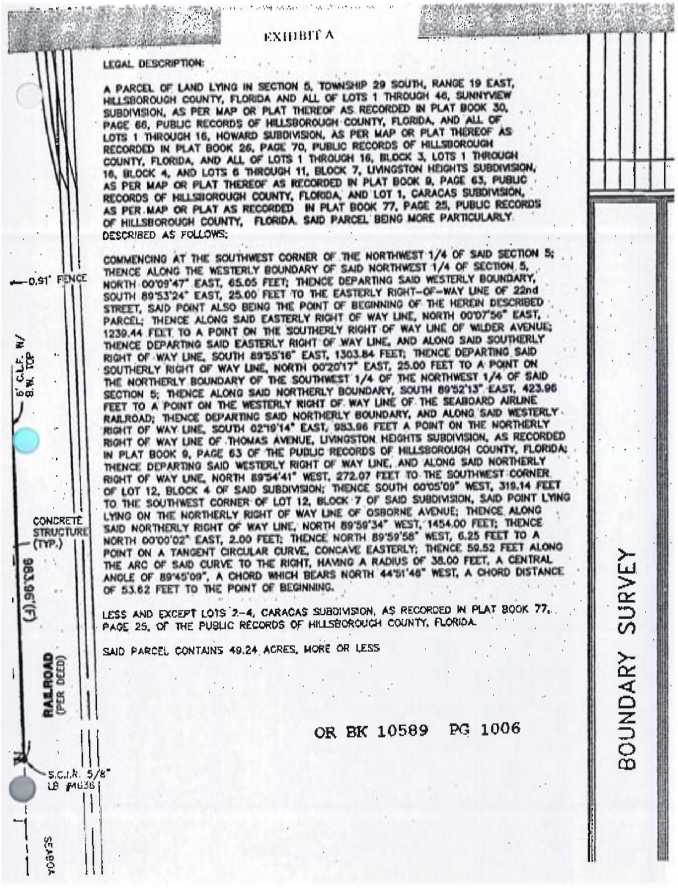
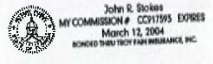
STATE OF FLORIDA )  
 ) SS:  
COUNTY OF HILLSBOROUGH )

The foregoing instrument was acknowledged before me this 30th day of January, 2001, by Joe E. Newsome and Dr. Earl J. Lennard, the Chairman and 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: \_\_\_\_\_  
Notary Public, State of Florida  
My Commission Expires: \_\_\_\_\_



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**FIRST GROUND LEASE SUPPLEMENT**

This First Ground Lease Supplement ("Subject Supplement") is made and entered into as of May 24, 2002 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 09977 at Page 0569 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] as modified hereby remains in full force and effect in accordance with the terms and provisions thereof.

**EXHIBIT A**

**PROPERTY DESCRIPTION**

**Middle School "NN"**

Begin at the Northeast corner of the Northeast 1/4 of the Northwest 1/4 of Section 4, Township 30 South, Range 21 East, thence along the East boundary line of said Northeast 1/4 of the Northwest 1/4 of said Section 4 S 01 degrees 02' 51" W, 1177.30 feet; thence departing said East boundary line S 89 degrees 55' 57" W 1110.21 feet; thence N 01 degrees 02' 51" E, 1170.30 feet to a point on the North boundary line of said Section 4; thence along said North boundary line N 89 degrees 55' 57" E 1110.21 feet to the Point of Beginning, Hillsborough County, Florida.

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.

ATTEST:

*Eddy Leonard*  
Superintendent

(SEAL)

ATTEST:

*Eddy Leonard*  
Secretary

(SEAL)

**SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA**

By: *Joris Rose Reddick*  
Chairman

**HILLSBOROUGH SCHOOL BOARD LEASING CORPORATION**

By: *Joris Rose Reddick*  
President

**SIMULTANEOUS ASSIGNMENT**

All of the rights of Hillsborough School Board Leasing Corporation hereunder are hereby assigned without recourse or warranty to The Bank of New York (successor to NationsBank of Florida, N.A.), as Trustee, as successor in interest to and assignee of Hillsborough School Board Leasing Corporation under the Assignment.

**HILLSBOROUGH SCHOOL BOARD LEASING CORPORATION**

By: *Joris Rose Reddick*  
President

Dated: May 24, 2002

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**FIRST SUPPLEMENT TO  
GROUND LEASE AGREEMENT**

This First Supplement to Ground Lease ("First Supplement") is made and entered into as of April 21, 2004 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, dated as of October 1, 1999 (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**, the Board owns that certain real property more particularly described in Exhibit A attached hereto and made a part hereof (collectively, the "Subject Parcels"); and

**WHEREAS**, the Board desires to make the Subject Parcels a portion of the Premises and, as such, shall be subject to the Ground Lease as contemplated thereby;

**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 Parcels are hereby declared to be 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 hereby remains in full force and effect in accordance with the terms and provisions thereof.

**EXHIBIT A**

**PROPERTY DESCRIPTIONS**

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

ATTEST:

**SCHOOL BOARD OF HILLSBOROUGH  
COUNTY, FLORIDA**

*Early Leonard*  
\_\_\_\_\_  
Superintendent

By: *Edmund Barrington*  
\_\_\_\_\_  
Chairman

(SEAL)

ATTEST:

**HILLSBOROUGH SCHOOL BOARD  
LEASING CORPORATION**

*Early Leonard*  
\_\_\_\_\_  
Secretary

By: *Edmund Barrington*  
\_\_\_\_\_  
President

(SEAL)

**SIMULTANEOUS ASSIGNMENT**

All of the rights of Hillsborough School Board Leasing Corporation hereunder are hereby assigned without recourse or warranty to The Bank of New York (successor to NationsBank of Florida, N.A.), as Trustee, as successor in interest to and assignee of Hillsborough School Board Leasing Corporation under the Assignment.

**HILLSBOROUGH SCHOOL BOARD  
LEASING CORPORATION**

By: *Edmund Barrington*  
\_\_\_\_\_  
President

Dated: April 22, 2004

**Exhibit 'A'**

**Parcel 1:**

The North 150 feet of the Northeast ¼ of the Northeast ¼ of the Southwest ¼ of the Northwest ¼ less streets and less the East 180 feet thereof, all in Section 33, Township 28 South, Range 19 East, Hillsborough County, Florida.

Together With

**Parcel 2:**

A tract of land in Section 33, Township 28 South, Range 19 East, Hillsborough County, Florida being described as follows:

For a point of reference commence at the Northeast corner of the Southwest ¼ of the Northwest ¼ (SW ¼, NW ¼) of Section 33; Run thence with the East boundary of the Southwest ¼ of the Northwest ¼ (SW ¼, NW ¼) of Section 33, South 00°04'20" West, 30.00 feet; thence North 89°44'40" West, 40.00 feet for a point of beginning, said point being the intersection of the south right-of-way line of River Grove Drive with the West right-of-way line of 40<sup>th</sup> Street; Run thence with the West right-of-way line of 40<sup>th</sup> Street, South 00°04'20" West, 224.20 feet; thence North 89°27'40" West, 120.00 feet; thence North 00°04'20" East, 223.61 feet to a point on the South right-of-way of River Grove Drive, thence with said right-of-way line South, 89°40'40" East, 120.00 feet to the point of beginning; less and except the North 10 feet thereof which has been heretofore deeded to the City of Tampa for road right-of-way purposes as recorded on February 13, 1968 in official Record Book 1861 on Page 914.

All buildings, pumps, tanks and other equipment which are located on said property and owned by party of the first part are conveyed and delivered to and accepted by party of the second part on an as-is basis with party of the first part making no representations as to the condition thereof.

Together With

**Parcel 3:**

Being at the Southeast corner of the Northeast ¼ of the Southwest ¼ of the Northwest ¼ of Section 33, Township 28 South, Range 19 East, Hillsborough County, Florida; Run thence North 356 feet; thence West 160 feet for a point of beginning; thence North 154 feet; thence West 170 feet; thence South 154 feet; and East 170 feet to the point of beginning, including contents.

Together With

**Parcel 4:**

Lot beginning 356 feet North of the Southeast corner of the Northeast ¼ of the Southwest ¼ of the Northwest ¼ of Section 33, Township 28 South, Range 19 East, and

run North 50 feet thence West 130 feet; thence South 50 feet; thence East 130 feet to the point of beginning, of Hillsborough County, Florida.

Together With

**Parcel 5:**

The North 125 feet of the Southeast ¼ of the Northeast ¼ of the Southwest ¼ of the Northwest ¼ of Section 33, Township 28 South, Range 19 East, Hillsborough County, Florida.

Together With

The Southeast ¼ of the Northeast ¼ of the Southwest ¼ of the Northwest ¼, less the South 75 feet, and less the North 125 feet of Section 33, Township 28 South, Range 19 East, all lying and being in Hillsborough County, Florida.

Together With

**Parcel 6**

The North 125 feet of the Southeast ¼ of the Northeast ¼ of the Southwest ¼ of the Northwest ¼ of Section 33, Township 28 South, Range 19 East, Hillsborough County, Florida.

Together With

The Southeast ¼ of the Northeast ¼ of the Southwest ¼ of the Northwest ¼, less the South 75 feet, and less the North 125 feet of Section 33, Township 28 South, Range 19 East, all lying and being in Hillsborough County, Florida.

Together With

**Parcel 7:**

A tract of land described as follows: beginning at the Southeast corner of the Northeast ¼ of the Southwest ¼ of the Northwest ¼ of Section 33, Township 28 South, Range 19 East, running thence North 75 feet; thence West 105 feet; thence South 75 feet; thence East 165 feet to the point of beginning; and beginning at the Southeast corner of the Northeast ¼ of Southwest ¼ of Northwest ¼ of Section 33, Township 28 South, Range 19 East run thence West 165 feet for a point of beginning, from the point of beginning run West 165 feet thence North 65 feet, thence East 165 feet, thence South 75 feet to the point of beginning.

Together With

**Parcel 8:**

The North one hundred thirty two (132) feet of the East three hundred thirty feet (330) of the Southeast quarter (SE ¼) of the Southwest quarter (SW ¼) of the Northwest quarter

(NW ¼) less roads, in Section 33, Township 28 South, Range 19 East, in Hillsborough County, Florida.

Together With

**Parcel 9:**

From the Southeast corner of the West ½ of the Northeast ¼ of the Southwest ¼ of the Northwest ¼ of Section 33, Township 28 South, Range 19 East, Hillsborough County, Florida, run West to the Southwest corner of the West ½ of the Northeast ¼ of the Southwest ¼ of the Northwest ¼ of Section 33, Township 28 South, Range 19 East, thence run North 335.76 feet, thence North 88°38'17" East 330.64 feet to the East boundary of said West ½ of the Northeast ¼ of the Southwest ¼ of the Northwest ¼ of Section 33, Township 28 South, Range 19 East, and thence South 344.69 feet to the point of beginning.

Together With

**Parcel 10:**

Tract beginning 344.69 feet North and 185.55 feet West of Southeast corner of the West ½ of the Northeast ¼ of the Southwest ¼ of the Northwest ¼ of Section 33, Township 28 South, Range 19 East, Hillsborough County, Florida, run West 145.00 feet; North 120.00 feet; East 144.90 feet South 117.08 feet to beginning, less the Westerly 25.00 feet thereof.

Together With

**Parcel 11:**

The East ½ of the South 100 feet of Lot 1, Hankins Suburban Homesites Revised Subdivision, according to plat thereof as recorded in Plat Book 29, Page(s) 26, of the Public Records of Hillsborough County, Florida, a/k/a begin at the Southeast corner of Lot 1, Hankins Suburban Homesites Revised Subdivision, according to plat thereof recorded, as the same is recorded in Plat Book 29, Page 26, Public Records of Hillsborough County, Florida, run thence West along Lambright Street 70 feet, thence run due North 100 feet, East 76 feet to 39<sup>th</sup> Street, thence south 100 feet to the point of beginning.

Together With

**Parcel 12:**

West ½ of South 100 feet of Lot 1 in Hankins Suburban Homesites revised as per map or plat thereof, recorded in Plat Book 29, Page 26 of the Public Records of Hillsborough County, Florida, all lying and being in Section 32, Township 28 South, Range 19 East.

Together With

**Parcel 13:**

Lot 1, less the South 100 feet thereof, Hankins Homesites Revised, according to map or plat thereof recorded in Plat Book 29, Page 26, of the Public Records of Hillsborough County, Florida.

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**FIRST AMENDMENT TO  
GROUND LEASE AGREEMENT**

This document prepared by:

INSTRUMENT#: 2010131342, O BK 19827  
PG 915-924 04/21/2010 at 01:51:02 PM,  
DEPUTY CLERK: ARHOLTZMAN Pat Frank,  
Clerk of the Circuit Court Hillsborough County

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

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:**

**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

**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(h) or 13(e) 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)."

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.

(SEAL) THE SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA
Witness: [Signature] Name: SANE BRADY
Witness: [Signature] Name: Gretchen Saunders
By: [Signature] Name: Susan L. Valdes Title: Chair Address: 901 East Kennedy Boulevard, 3rd Floor Tampa, Florida 33602

ATTEST:
Witness: [Signature] Name: SANE BRADY
Witness: [Signature] Name: Gretchen Saunders
By: [Signature] Name: MaryEllen Elia Title: Superintendent/Secretary Address: 901 East Kennedy Boulevard, 3rd Floor Tampa, Florida 33602

(SEAL) HILLSBOROUGH SCHOOL BOARD LEASING CORPORATION
Witness: [Signature] Name: SANE BRADY
Witness: [Signature] Name: Gretchen Saunders
By: [Signature] Name: Susan L. Valdes Title: President Address: 901 East Kennedy Boulevard, 3rd Floor Tampa, Florida 33602

ATTEST:
Witness: [Signature] Name: SANE BRADY
Witness: [Signature] Name: Gretchen Saunders
By: [Signature] Name: MaryEllen Elia Title: Secretary Address: 901 East Kennedy Boulevard, 3rd Floor Tampa, Florida 33602

STATE OF FLORIDA )
) SS:
COUNTY OF HILLSBOROUGH )

The foregoing instrument was acknowledged before me this 8th day of April, 2010, by Susan L. Valdes and MaryEllen Elia, the Chair and Superintendent, respectively, of The School Board of Hillsborough County, Florida. Such person(s) did not take an oath and:

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

(SEAL)
Notary Public State of Florida
D. Renee McBryar
My Commission DD601026
Expires 08/21/2013
Name: D. Renee McBryar
Notary Public, State of Florida
My Commission Expires: 8/21/2013

STATE OF FLORIDA )
) SS:
COUNTY OF HILLSBOROUGH )

The foregoing instrument was acknowledged before me this 8th day of April, 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:

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

(SEAL)
Notary Public State of Florida
D. Renee McBryar
My Commission DD601026
Expires 08/21/2013
Name: D. Renee McBryar
Notary Public, State of Florida
My Commission Expires: 8/21/2013

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This document prepared by:

Ritesh S. Patel, Esq.  
Nabors, Giblin & Nickerson, P.A.  
2502 Rocky Point Drive, Suite 1060  
Tampa, Florida 33607

**SECOND AMENDMENT TO  
GROUND LEASE AGREEMENT**

This Second Amendment to Ground Lease Agreement (the "Second Amendment") is made and entered into as of May 1, 2020 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 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"). All capitalized terms used herein and not otherwise defined shall have the meaning set forth therefor in the "Ground Lease" as hereinafter set forth. Reference to "Ground Lease" herein shall include the terms of this Second Amendment.

**SECOND 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 May 1, 2020**

**WITNESSETH:**

**WHEREAS**, the Board and the Corporation entered into a certain Ground Lease Agreement dated as of October 1, 1999 (a memorandum of which Ground Lease Agreement was recorded in Official Records Book 09977 at Page 569 of the Public Records of Hillsborough County, Florida), as supplemented by a First Ground Lease Supplement, dated January 30, 2001 recorded in Official Records Book 10589 at Page 1001 of the Public Records of Hillsborough County, Florida), a First Ground Lease Supplement, dated May 24, 2002 (a memorandum of which First Ground Lease Supplement was recorded in Official Records Book 11684 at Page 1832 of the Public Records of Hillsborough County, Florida), a First Supplement to Ground Lease Agreement, dated April 27, 2004 (a memorandum of which First Supplement to Ground Lease Agreement was recorded in Official Records Book 13882 at Page 430 of the Public Records of Hillsborough County, Florida) and a First Amendment to Ground Lease Agreement, dated as of April 1, 2010 recorded in Official Records Book 19827 at Page 915 of the Public Records of Hillsborough County, Florida) (collectively, the "Ground Lease"); and

**WHEREAS**, in connection with the issuance of the Refunding Certificates of Participation (School Board of Hillsborough County, Florida Master Lease Program), Series 2020A Evidencing an Undivided Proportionate Interests 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 "Series 2020A Certificates"), 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 2020A Certificates related to the Series 1999 Project and any Refunding Certificates related to the Series 1999 Project, have been paid or provision for payment of the Series 2020A Certificates and any other Certificates evidencing an interest in the Series 1999 Lease has been made pursuant to Section 12.01 of the Trust Agreement and any Supplemental Rent arising under the Lease Agreement shall have been paid or provided for, or (b) July 1, 2034 (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."

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 2020A Certificates related to the Series 1999 Project and any Refunding Certificates related to the Series 1999 Project 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 2020A Certificates related to the Series 1999 Project 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)."

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 2020A Certificates related to the Series 1999 Project and any Refunding Certificates related to the Series 1999 Project 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 2020A Certificates related to the Series 1999 Project and any outstanding 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.

7. Section 21 of the Ground Lease is hereby amended and restated in its entirety to read as follows:

"The Board reserves the right to modify, substitute, release or add land to all or any portion of the Premises described in Exhibit A hereto, as the same may be supplemented or amended from time to time. Upon any such modification, substitution, release or addition an appropriate instrument or instruments shall be recorded in the public books of Hillsborough County, Florida. Any supplement to this Ground Lease shall be in substantially in form of Exhibit C hereto. In connection with the release of all or any portion of the Premises hereunder in connection with the release of components of the Series 1999 Project pursuant to Section 15 of Third Amended and Restated Lease Schedule No. 1999, such released portions of the Premises may be designated as Servient Property hereunder."

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

[Signature page to follow]

STATE OF FLORIDA )  
 )SS:  
COUNTY OF HILLSBOROUGH)

The foregoing instrument was acknowledged before me by means of  physical presence or  online notarization, this 21st day of May, 2020, by Melissa Snively and Addison Davis, the Chair and Acting Superintendent/Secretary, 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)

\_\_\_\_\_  
Notary Public, State of Florida  
Name:  
My Commission Expires:  
My Commission No.:

IN WITNESS WHEREOF, each of the parties hereto have caused this Second 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: \_\_\_\_\_ By: \_\_\_\_\_  
Acting Superintendent/Secretary Chair

(SEAL)

**HILLSBOROUGH SCHOOL BOARD  
LEASING CORPORATION**

ATTEST:

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

(SEAL)

STATE OF FLORIDA )  
 )SS:  
COUNTY OF HILLSBOROUGH)

The foregoing instrument was acknowledged before me by means of  physical presence or  online notarization, this 21st day of May, 2020, by Melissa Snively and Addison Davis, 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)

\_\_\_\_\_  
Notary Public, State of Florida  
Name:  
My Commission Expires:  
My Commission No.:

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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 September 1, 2003

GROUND LEASE AGREEMENT

**THIS GROUND LEASE AGREEMENT** (hereinafter referred to as this "Ground Lease") is made and entered into as of September 1, 2003, 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 2003B Project") and to lease the Series 2003B 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 2003B 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 2003B Project may contain certain elements, features or parts which are structural elements of both the Servient Buildings and the Series 2003B 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 2003B 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 2003B 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 2003B 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 2003B Project and the Servient Buildings (collectively referred to as "Flooring"). Should the Flooring of the Series 2003B 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 2003B 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 2003B 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 2003B 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.

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(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 2003B Project existing from time to time on the Premises.

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

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

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

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

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

(ii) For each twelve-month period beginning on the July 1 next succeeding the date on which terminated and beginning on each succeeding July 1, the amount of the fair market rental determined by the Appraisal shall be adjusted by the percentage (positive or negative) which is equal to the Implicit Price Deflator of the Consumer Price Index published by the United States Department of Commerce for the region of the United States where Florida is located or for the United States as a whole if not so published for such region;

(iii) The fair market rental due in any year shall be paid in the current year only to the extent that the moneys received by the Trustee as assignee of the Corporation from the exercise of the remedies permitted under the Lease Agreement during the preceding twelve months prior to such July 1 exceeded the Principal and Interest Requirements for such preceding twelve months and other

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(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 2003B Certificates and any Completion Certificates related to the Series 2003B Project and any Certificates issued to refund the foregoing, have been paid or provision for payment of the Series 2003B Certificates has been made pursuant to Section 12.01 of the Trust Agreement and any Supplemental Rent arising under the Lease Agreement shall have been paid or provided for, or (b) July 1, 2034 (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 2.2 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 2003B Project;

(ii) the Buildings and Equipment comprising a portion of the Series 2003B 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 2003B 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 2003B Project constructed on the Premises shall remain severed from title to the Premises until the earlier of (A) the date on which the Series 2003B Certificates issued under the Trust Agreement shall no longer be Outstanding, and (B) the end of the Ground Lease Term.

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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 (ii) shall remain due and payable and shall accumulate from year to year and shall be paid in any future years to the extent that moneys received in such year from the exercise of the remedies permitted by the Lease Agreement exceed the Principal and Interest Requirements and the fair market rental due in such years; and

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

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

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

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

(d) If the Corporation or any Permitted Transferee holds over or refuses to surrender possession of the Premises after expiration or earlier termination of this Ground Lease, the Corporation or any Permitted Transferee shall be a tenant at sufferance and

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shall pay a rental rate equal to the fair market rental of the Premises determined in the manner provided in Section 4(b) hereof.

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

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

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

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

(b) It is understood and agreed that the Board has determined that the Premises will safely or adequately support the Series 2003B 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 2003B Project for the purposes intended or to permit such Series 2003B 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 2003B 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.

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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 2003B Project, will not impair or diminish the security of any Leasehold Mortgagee or Permitted Transferee hereunder and the Board agrees to indemnify and save harmless, but only from Available Revenues, the Corporation or its assignee and any Leasehold Mortgagee and Permitted Transferee (whether the interest of such party in the Premises arises prior or subsequent to such grants) against any loss, claim, liability or damages, including legal costs and defense arising or accruing from the use or exercise of such easement.

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

**SECTION 12. TAXES AND FEES.** (a) The Board represents and warrants that this Ground Lease is and will be exempt from ad valorem and intangible taxation. However, for as long as the Lease Agreement is in effect, should the Premises thereon or any interest therein ever become subject to any such taxes, the Board agrees to pay any and all such lawful taxes, assessments or charges which at any time may be levied by any federal, state, county, city, or any tax or assessment levying body upon the Premises or the Series 2003B Project, or any interest in this Ground Lease, or any possessory right which the Corporation or its assignee may have in or to the Premises thereon by reason of its use or occupancy thereof or otherwise.

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

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

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**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 2003B 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).

(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

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**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 2003B 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)(ii) 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 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 2003B 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.

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

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

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

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

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

(b) If the Lease Agreement shall have been terminated, (i) if such Person acquires title to such substantial portion thereof that the Corporation determines that it cannot economically make use of the residue for the lawful purposes intended by this Ground Lease, such acquisition of title shall terminate this Ground Lease, effective as of the date on which the condemning party takes possession thereof, and the Net Proceeds resulting therefrom shall be applied first to payment of the amount secured by any Leasehold Mortgage then outstanding hereunder, second, to payment of any outstanding Series 2003B Certificates, and, third, the balance, if any shall be paid to the Board and

assignee of the Corporation, excludes the Board from possession of the Series 2003B Project, the Board grants to the Corporation and the Trustee the right and option to renew this Ground Lease for a period not to exceed ten years at a fair market rental to be determined, adjusted and paid in the manner and under the conditions set forth in Section 4(b) of this Ground Lease.

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

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

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

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

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 2003B 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 2003B Project as provided in the Lease Agreement.

**SECTION 20. MEMORANDUM OF GROUND LEASE.** Unless mutually agreed to the contrary, simultaneously with the execution of this Ground Lease, the Board and the Corporation shall each execute, acknowledge and deliver a Memorandum of Ground Lease with respect to this Ground Lease. Said Memorandum of Ground Lease shall not in any circumstances be deemed to change or otherwise to affect any of the obligations or provisions of this Ground Lease.

**SECTION 21. CHANGES TO PROPERTY DESCRIPTION.** The Board reserves the right to substitute other land for, or add land to all or any portion of the premises described in Exhibit A hereto, as same may be supplemented by supplements to this Ground Lease from time to time. 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

**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.) 10161 Centurion 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.

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

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

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

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

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

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

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

SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA, as Lessor

(SEAL)

By: Carol W. Kurdell  
Chairman

ATTEST:

By: Earl Lennard  
Superintendent/Secretary

HILLSBOROUGH BOARD LEASING CORPORATION, as Lessee

(SEAL)

By: Carol W. Kurdell  
President

ATTEST:

By: Earl Lennard  
Secretary

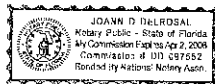
STATE OF FLORIDA )  
 ) SS:  
COUNTY OF HILLSBOROUGH )

The foregoing instrument was acknowledged before me this 5th day of September, 2003, by Carol W. Kurdell 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)

Joann D. DeRosal  
Name:  
Notary Public, State of Florida  
My Commission Expires:



STATE OF FLORIDA )  
 ) SS:  
COUNTY OF HILLSBOROUGH )

The foregoing instrument was acknowledged before me this 5th day of September, 2003, by Carol W. Kurdell 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)

Joann D. DeRosal  
Name:  
Notary Public, State of Florida  
My Commission Expires:

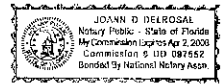


EXHIBIT A

Sami Rampello Downtown Partnership School

PREMISES DESCRIPTION

Elementary School "Y" (Phase 2)

FISHHAWK RANCH PHASE 2 SCHOOL SITE (TRACT "D")

DESCRIPTION: A parcel of land lying in Sections 28 and 29, Township 30 South, Range 21 East, Hillsborough County, Florida, and being more particularly described as follows:

Commence at the Northwest corner of the Southwest 1/4 of said Section 28, run thence along the West boundary of said Section 28, S.00°03'36"E., 25.00 feet to a point on the Southerly maintained right-of-way line of DORMAN ROAD, said point also being the POINT OF BEGINNING; thence along said Southerly maintained right-of-way line of DORMAN ROAD, lying 25.00 feet South of and parallel with the North boundary of the Southwest 1/4 of said Section 28, S.89°46'58"E., 590.41 feet; thence SOUTH, 557.62 feet; thence WEST, 589.82 feet to a point on the aforesaid West boundary of Section 28; thence along said West boundary of Section 4, S.00°03'10"E., 88.86 feet; thence N.89°55'24"W., 371.75 feet; thence N.06°07'15"W., 361.77 feet; thence N.00°12'34"E., 40.00 feet; thence N.29°41'22"W., 46.14 feet; thence N.00°12'34"E., 210.00 feet to a point on said Southerly maintained right-of-way line of DORMAN ROAD, thence along said Southerly maintained right-of-way line of DORMAN ROAD, lying 25.00 feet South of and parallel with the North boundary of the Southeast 1/4 of the aforesaid Section 29, S.89°47'26"E., 431.60 feet to the POINT OF BEGINNING.

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NEW HIGH SCHOOL "PPP"

Parcels "J", "K" and "K-1", PARKWAY BUSINESS CENTER AT OAK CREEK - UNIT 6, a subdivision, according to the plat thereof recorded in Plat Book 80, page 78, of the public records of Hillsborough County, Florida.

Elementary School Z

DESCRIPTION

TRACTS 5, 6, 11 AND 12 OF THE SOUTHEAST 1/4 OF SECTION 28, TOWNSHIP 29 SOUTH, RANGE 19 EAST, SOUTH TAMPA SUBDIVISION, ACCORDING TO PLAT RECORDED IN PLAT BOOK 6, PAGES 6, 11 & 12 OF PUBLIC RECORDS OF HILLSBOROUGH COUNTY, FLORIDA, TOGETHER WITH VACATED STRIPS LYING SOUTH OF TRACTS 5 AND 6 AND NORTH OF TRACTS 11 AND 12, LESS AND EXCEPT LOTS CONVEYED BY DEEDS RECORDED IN OFFICIAL RECORDS BOOK 7469, PAGE 172, SAID PARCELS BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHWEST CORNER OF SECTION 28, TOWNSHIP 29 SOUTH, RANGE 19 EAST, HILLSBOROUGH COUNTY, FLORIDA, AND RUN NORTHERLY ALONG THE SOUTH BOUNDARY OF SAID SECTION 28, NORTH 20°39'00" WEST, A DISTANCE OF 1,522.83 FEET TO A POINT OF INTERSECTION WITH THE WESTERNLY RIGHT OF WAY LINE OF FAIRBANKS ROAD, THENCE EXPANDED SAID SOUTH BOUNDARY, NORTH 00°05'00" EAST, ALONG SAID WESTERNLY RIGHT OF WAY LINE, A DISTANCE OF 200.00 FEET TO A POINT OF INTERSECTION WITH THE NORTHERLY RIGHT OF WAY LINE OF CAMDEN FIELDS PARKWAY, AS DESCRIBED IN OFFICIAL RECORDS BOOK 1463, PAGE 93, OF THE PUBLIC RECORDS OF HILLSBOROUGH COUNTY, FLORIDA, THENCE ALONG SAID WESTERNLY RIGHT OF WAY LINE, SOUTH 04°00'00" WEST, ALONG SAID NORTHERLY RIGHT-OF-WAY LINE, A DISTANCE OF 681.23 FEET, THENCE CONTINUE ALONG SAID NORTHERLY RIGHT OF WAY LINE, NORTH 89°30'00" WEST, A DISTANCE OF 648.75 FEET TO A POINT OF INTERSECTION WITH THE WESTERNLY BOUNDARY OF TRACT 13, SOUTH TAMPA SUBDIVISION, ACCORDING TO A MAP ON FILE HEREIN, AS RECORDED IN PLAT BOOK 6, PAGE 3, OF THE PUBLIC RECORDS OF HILLSBOROUGH COUNTY, FLORIDA, THENCE DEPARTING SAID NORTHERLY RIGHT OF WAY LINE, NORTH 07°02'21" EAST, ALONG THE WESTERNLY BOUNDARY OF SAID TRACT 13 AND THE WESTERNLY BOUNDARY OF TRACTS 11 AND 12 OF SAID SOUTH TAMPA SUBDIVISION, A DISTANCE OF 1,260.93 FEET TO THE POINT OF BEGINNING OF THE HEREIN DESCRIBED PARCEL OF LAND, THENCE CONTINUE ALONG SAID WESTERNLY BOUNDARY, NORTH 00°00'00" EAST, A DISTANCE OF 452.7 FEET TO A POINT OF INTERSECTION WITH THE SOUTHERLY BOUNDARY OF CAMDEN FIELDS 3, ACCORDING TO A MAP OR PLAT THEREOF, AS RECORDED IN PLAT BOOK 88, PAGE 96, OF THE PUBLIC RECORDS OF HILLSBOROUGH COUNTY, FLORIDA, THENCE DEPARTING SAID WESTERNLY BOUNDARY, SOUTH 89°30'00" EAST, ALONG SAID NORTHERLY BOUNDARY, A DISTANCE OF 1,260.93 FEET TO A POINT OF INTERSECTION WITH THE EASTERNLY BOUNDARY OF TRACT 9 OF SAID SOUTH TAMPA SUBDIVISION, SAID EASTERNLY BOUNDARY ALSO BEING THE WESTERNLY RIGHT OF WAY LINE OF THE AFORESAID FAIRBANKS ROAD, THENCE DEPARTING SAID SOUTHERLY BOUNDARY, SOUTH 03°30'00" WEST, ALONG SAID EASTERNLY BOUNDARY OF TRACT 9 AND SAID WESTERNLY RIGHT OF WAY LINE, A DISTANCE OF 81.75 FEET TO A POINT OF INTERSECTION WITH A NON-TANGENT CURVE, SAID NON-TANGENT CURVE HAVING A CENTRE ANGLE OF 137°07'15" BEING SOUTHEAST AND HAVING A RADIUS OF 1228.63 FEET AND A CENTRE ANGLE OF 137°07'15" BEING SOUTHEAST, ALONG THE ARC OF SAID NON-TANGENT CURVE AND SAID WESTERNLY RIGHT OF WAY LINE, A DISTANCE OF 336.60 FEET, SAID NON-TANGENT CURVE HAVING A CHORD BEARING OF SOUTH 60°18'07" WEST AND A CHORD DISTANCE OF 354.10 FEET, THENCE CONTINUE ALONG SAID WESTERNLY RIGHT OF WAY LINE THE FOLLOWING ITEMS (3) DESCRIBED COURSES: (1) SOUTH 30°44'55" WEST, A DISTANCE OF 165.89 FEET; (2) THENCE SOUTH 89°45'00" EAST, A DISTANCE OF 232.11 FEET; (3) THENCE SOUTH 00°00'00" WEST, A DISTANCE OF 18.33 FEET, THENCE DEPARTING SAID WESTERNLY BOUNDARY, NORTH 89°30'00" WEST, A DISTANCE OF 666.14 FEET; THENCE NORTH 30°00'00" EAST, A DISTANCE OF 224.49 FEET; THENCE NORTH 89°30'00" WEST, A DISTANCE OF 540.13 FEET TO THE POINT OF BEGINNING.

CONTAINING 16.14 ACRES, MORE OR LESS

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DESCRIPTION OF SERVIENT PROPERTY

[NONE]

[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.

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

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

SCHOOL BOARD OF 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: \_\_\_\_\_

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:

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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:

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**FIRST SUPPLEMENT TO  
GROUND LEASE AGREEMENT**

This First Supplement to Ground Lease ("First Supplement") is made and entered into as of September 1, 2004 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 hereof 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 September 1, 2003 (the "Ground Lease") a memorandum of which was recorded in Official Records Book 13553 at page 1657 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 (collectively, the "Subject Parcels"); and

**WHEREAS**, the Subject Parcels are a portion of the Premises and, as such, shall be subject to the Ground Lease as contemplated thereby;

**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 Parcels are hereby declared to be 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.

**EXHIBIT A**

**PROPERTY DESCRIPTIONS**

Parcels "J", "K" and "K-1", PARKWAY BUSINESS CENTER AT OAK CREEK - UNIT 6, a subdivision, according to the plat thereof recorded in Plat Book 90, page 78, of the public records of Hillsborough County, Florida.

3. 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 Supplement to be executed by their duly authorized officers or agents, all as of the day and year first above written.

ATTEST:

**SCHOOL BOARD OF HILLSBOROUGH  
COUNTY, FLORIDA**

By: *Early Howard*  
Superintendent

By: *Edmund Barrington*  
Chairman

(SEAL)

ATTEST:

**HILLSBOROUGH SCHOOL BOARD  
LEASING CORPORATION**

By: *Early Howard*  
Secretary

By: *Edmund Barrington*  
President

(SEAL)

**SIMULTANEOUS ASSIGNMENT**

All of the rights of Hillsborough School Board Leasing Corporation hereunder are hereby assigned without recourse or warranty to The Bank of New York (successor to NationsBank of Florida, N.A.), as Trustee, as successor in interest to and assignee of Hillsborough School Board Leasing Corporation under the Assignment.

**HILLSBOROUGH SCHOOL BOARD  
LEASING CORPORATION**

By: *Edmund Barrington*  
President

Dated: September 1, 2004

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SECOND SUPPLEMENT TO  
GROUND LEASE AGREEMENT

This Second Supplement to Ground Lease ("Second Supplement") is made and entered into as of October 8, 2004 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, dated as of September 1, 2003 (the "Ground Lease") a memorandum of which was recorded in Official Records Book 13553 at page 1657 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 (collectively, the "Subject Parcels"); and

WHEREAS, the Subject Parcels are a portion of the Premises and, as such, shall be subject to the Ground Lease as contemplated thereby;

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 Parcels are hereby declared to be 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.

EXHIBIT A

PROPERTY DESCRIPTIONS

TRACTS 5, 6, 11 AND 12 OF THE SOUTHEAST 1/4 OF SECTION 36, TOWNSHIP 29 SOUTH, RANGE 19 EAST, SOUTH TAMPA SUBDIVISION, ACCORDING TO PLAT RECORDED IN PLAT BOOK 6, PAGE 3, OF THE PUBLIC RECORDS OF HILLSBOROUGH COUNTY, FLORIDA, TOGETHER WITH VACATED STREET LYING SOUTH OF TRACTS 5 AND 6 AND NORTH OF TRACTS 11 AND 12, LESS AND EXCEPT LANDS CONVEYED BY DEEDS RECORDED IN OFFICIAL RECORDS BOOK 7400, PAGE 1782, SAID PARCELS BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHEAST CORNER OF SECTION 36, TOWNSHIP 29 SOUTH, RANGE 19 EAST, HILLSBOROUGH COUNTY, FLORIDA AND RUN THENCE ALONG THE SOUTH BOUNDARY OF SAID SECTION 36, NORTH 89°39'56" WEST, A DISTANCE OF 1,362.53 FEET TO A POINT OF INTERSECTION WITH THE WESTERLY RIGHT OF WAY LINE OF FALKENBURG ROAD; THENCE DEPARTING SAID SOUTH BOUNDARY, NORTH 00°04'49" EAST, ALONG SAID WESTERLY RIGHT OF WAY LINE, A DISTANCE OF 200.00 FEET TO A POINT OF INTERSECTION WITH THE NORTHERLY RIGHT OF WAY LINE OF CAMDEN FIELDS PARKWAY, AS DESCRIBED IN OFFICIAL RECORDS BOOK 10753, PAGE 96, OF THE PUBLIC RECORDS OF HILLSBOROUGH COUNTY, FLORIDA; THENCE DEPARTING SAID WESTERLY RIGHT OF WAY LINE, SOUTH 89°39'56" WEST, ALONG SAID NORTHERLY RIGHT-OF-WAY LINE, A DISTANCE OF 601.73 FEET; THENCE CONTINUE ALONG SAID NORTHERLY RIGHT-OF-WAY LINE, NORTH 89°39'56" WEST, A DISTANCE OF 843.81 FEET TO A POINT OF INTERSECTION THE WESTERLY BOUNDARY OF TRACT 13, SOUTH TAMPA SUBDIVISION, ACCORDING TO A MAP OR PLAT THEREOF, AS RECORDED IN PLAT BOOK 6, PAGE 3, OF THE PUBLIC RECORDS OF HILLSBOROUGH COUNTY, FLORIDA; THENCE DEPARTING SAID NORTHERLY RIGHT OF WAY LINE, NORTH 00°04'21" EAST, ALONG THE WESTERLY BOUNDARY OF SAID TRACT 13 AND THE WESTERLY BOUNDARY OF TRACTS 12 AND 9 OF SAID SOUTH TAMPA SUBDIVISION, A DISTANCE OF 1,360.95 FEET TO THE POINT OF BEGINNING OF THE HEREIN DESCRIBED PARCEL OF LAND; THENCE CONTINUE ALONG SAID WESTERLY BOUNDARY, NORTH 00°04'21" EAST, A DISTANCE OF 459.77 FEET TO A POINT OF INTERSECTION WITH THE SOUTHERLY BOUNDARY OF PAVILION PHASE 3, ACCORDING TO A MAP OR PLAT THEREOF, AS RECORDED IN PLAT BOOK 86, PAGE 96, OF THE PUBLIC RECORDS OF HILLSBOROUGH COUNTY, FLORIDA; THENCE DEPARTING SAID WESTERLY BOUNDARY, SOUTH 89°40'46" EAST, ALONG SAID SOUTHERLY BOUNDARY, A DISTANCE OF 1,285.46 FEET TO A POINT OF INTERSECTION WITH THE EASTERLY BOUNDARY OF TRACT 6 OF SAID SOUTH TAMPA SUBDIVISION, SAID EASTERLY BOUNDARY ADJOINING THE WESTERLY RIGHT OF WAY LINE OF THE AFORESAID FALKENBURG ROAD; THENCE DEPARTING SAID SOUTHERLY BOUNDARY, SOUTH 00°40'32" WEST, ALONG SAID EASTERLY BOUNDARY TO A POINT OF INTERSECTION WITH A MAP OR PLAT DESCRIBED COURSE: (1) SOUTH 00°04'46" WEST, A DISTANCE OF 188.42 FEET; (2) THENCE SOUTH 89°45'01" EAST, A DISTANCE OF 23.21 FEET; (3) THENCE SOUTH 00°09'46" WEST, A DISTANCE OF 16.33 FEET; THENCE DEPARTING SAID WESTERLY BOUNDARY, NORTH 00°58'07" WEST, A DISTANCE OF 665.14 FEET; THENCE NORTH 00°09'33" EAST, A DISTANCE OF 224.43 FEET; THENCE NORTH 89°58'07" WEST, A DISTANCE OF 576.13 FEET TO THE POINT OF BEGINNING

CONTAINING 16.44 ACRES, MORE OR LESS

3. 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 Second Supplement to be executed by their duly authorized officers or agents, all as of the day and year first above written.

ATTEST: SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA

By: Early Leonard Superintendent By: Shawn Barrington Chairman

(SEAL)

ATTEST: HILLSBOROUGH SCHOOL BOARD LEASING CORPORATION

By: Early Leonard Secretary By: Shawn Barrington President

(SEAL)

SIMULTANEOUS ASSIGNMENT

All of the rights of Hillsborough School Board Leasing Corporation hereunder are hereby assigned without recourse or warranty to The Bank of New York (successor to NationsBank of Florida, N.A.), as Trustee, as successor in interest to and assignee of Hillsborough School Board Leasing Corporation under the Assignment.

HILLSBOROUGH SCHOOL BOARD LEASING CORPORATION

By: Shawn Barrington President

Dated: October 8, 2004

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INSTRUMENT#: 2012123475, O BK 21058  
 PG 1394-1400 04/10/2012 at 04:25:21 PM  
 DEPUTY CLERK: AHOLTZMAN Pat Frank,  
 Clerk of the Circuit Court Hillsborough County

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**

This First Amendment to Ground Lease Agreement (the "First Amendment") is made and entered into as of April 1, 2012 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 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"). All capitalized terms used herein and not otherwise defined shall have the meaning set forth therefor in the "Ground Lease" as hereinafter set forth. Reference to "Ground Lease" herein shall include the terms of this First Amendment to Ground Lease.

**WITNESSETH:**

**FIRST AMENDMENT TO 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 April 1, 2012

**WHEREAS**, the Board and the Corporation entered into a certain Ground Lease Agreement dated as of September 1, 2003, as supplemented by a First Supplement to Ground Lease Agreement, dated September 1, 2004, and a Second Supplement to Ground Lease Agreement, dated October 8, 2004 (collectively, the "Ground Lease"), a memorandum of which Ground Lease was recorded in Official Records Book 13553 at Page 1657 of the Public Records of Hillsborough County, Florida; and

**WHEREAS**, in connection with the issuance of the Refunding Certificates of Participation (School Board of Hillsborough County, Florida Master Lease Program), Series 2012A 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 (the "Series 2012A Certificates"), 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 2012A Certificates related to the

2

Series 2003B Project and any Completion Certificates related to the Series 2003B Project and any Certificates issued to refund the foregoing, have been paid or provision for payment of the Series 2012A Certificates and any other Certificates evidencing an interest in the Series 2003B Lease has been made pursuant to Section 12.01 of the Trust Agreement and any Supplemental Rent arising under the Lease Agreement shall have been paid or provided for, or (b) July 1, 2034 (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."

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 2003B 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 2003B Project constructed on the Premises shall remain severed from title to the Premises until the earlier of (A) the date on which the Series 2012A Certificates related to the Series 2003B Project, any Completion Certificates related to the Series 2003B Project and any Certificates issued to refund the foregoing issued under the Trust Agreement shall no longer be Outstanding, and (B) the end of the Ground Lease Term."

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 2012A Certificates related to the Series 2003B Project 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)."

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 2012A Certificates related to the Series 2003B Project, any Completion Certificates related to the Series 2003B Project and any Certificates issued to refund the foregoing have been paid or provision for payment has been made pursuant to the terms and provisions of the Trust Agreement. The Board shall have recourse solely against the leasehold estate of the Corporation or its assignee in the Premises, and any proceeds thereof, for the payment of any liabilities of the Corporation or its assignee hereunder."

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 2012A Certificates related to the Series 2003B Project and any outstanding 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.

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.

SCHOOL BOARD OF  
HILLSBOROUGH COUNTY,  
FLORIDA

ATTEST:

By: MaryEllen Elia By: Ann S. Olson  
Superintendent/Secretary Chairman

(SEAL)

ATTEST:

HILLSBOROUGH SCHOOL  
BOARD LEASING CORPORATION

By: MaryEllen Elia By: Ann S. Olson  
Secretary President

(SEAL)

STATE OF FLORIDA )  
 ) SS:  
COUNTY OF HILLSBOROUGH )

The foregoing instrument was acknowledged before me this 28th day of March, 2012, by Ann S. Olson and MaryEllen Elia, the Chair and Superintendent, respectively, of the of the School District 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)



Emily D. Briggs  
Name: Emily D. Briggs  
Notary Public, State of Florida  
My Commission Expires: May 12, 2015

STATE OF FLORIDA )  
 ) SS:  
COUNTY OF HILLSBOROUGH )

The foregoing instrument was acknowledged before me this 28th day of March, 2012, by Ann S. Olson 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)



Emily D. Briggs  
Name: Emily D. Briggs  
Notary Public, State of Florida  
My Commission Expires: May 12, 2015

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**THIRD SUPPLEMENT TO  
GROUND LEASE AGREEMENT**

This Third Supplement to Ground Lease ("Third Supplement") is made and entered into as of April 22, 2016, 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 Florida not-for-profit corporation (the "Corporation"). All capitalized terms used herein and not otherwise defined shall have the meaning set forth therein 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 September 1, 2003 (the "Ground Lease") a memorandum of which was recorded in Official Records Book 13553 at page 1657 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 (collectively, the "Subject Parcels"); and

**WHEREAS**, the Subject Parcels are a portion of the Premises and, as such, shall be subject to the Ground Lease as contemplated thereby;

**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 Parcels are hereby declared to be 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.

**EXHIBIT A**

**SUBJECT PARCELS DESCRIPTIONS**

Lots 1 through 5, together with the North 1/2 of the vacated alley abutting Lot 1, and all of that portion of the vacated alley abutting Lots 2 through 5, Block 10 of Drew's Addition to Tampa, as recorded in Deed Book K, page 534, of the Public Records of Hillsborough County, Florida.

AND

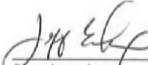
Lots 1 through 6, together with the vacated alley abutting said lots, Block 11 of Drew's Addition to Tampa, as recorded in Deed Book K, page 534, of the Public Records of Hillsborough County, Florida.


3. 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 Third Supplement to be executed by their duly authorized officers or agents, all as of the day and year first above written.

ATTEST:

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

By:   
Superintendent


By:   
Chairman

(SEAL)

ATTEST:

**HILLSBOROUGH SCHOOL BOARD  
LEASING CORPORATION**

By:   
Secretary

By:   
President

(SEAL)

**SIMULTANEOUS ASSIGNMENT**

All of the rights of Hillsborough School Board Leasing Corporation hereunder are hereby assigned without recourse or warranty to The Bank of New York (successor to NationsBank of Florida, N.A.), as Trustee, as successor in interest to and assignee of Hillsborough School Board Leasing Corporation under the Assignment.

**HILLSBOROUGH SCHOOL BOARD  
LEASING CORPORATION**

By:   
President

Dated: April 22, 2016

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This document prepared by:

Ritesh S. Patel, Esq.  
Nabors, Giblin & Nickerson, P.A.  
2502 Rocky Point Drive, Suite 1060  
Tampa, Florida 33607

**SECOND AMENDMENT TO  
GROUND LEASE AGREEMENT**

This Second Amendment to Ground Lease Agreement (the "Second Amendment") is made and entered into as of May 1, 2020 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 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"). All capitalized terms used herein and not otherwise defined shall have the meaning set forth therefor in the "Ground Lease" as hereinafter set forth. Reference to "Ground Lease" herein shall include the terms of this Second Amendment.

**SECOND 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 May 1, 2020

**WITNESSETH:**

**WHEREAS**, the Board and the Corporation entered into a certain Ground Lease Agreement, dated as of September 1, 2003 (a memorandum of which Ground Lease Agreement was recorded in Official Records Book 13553 at Page 16657 of the Public Records of Hillsborough County, Florida), as supplemented by a First Supplement to Ground Lease Agreement, dated September 1, 2004 (a memorandum of which First Supplement to Ground Lease Agreement was recorded in Official Records Book 14233 at Page 749 of the Public Records of Hillsborough County, Florida), a Second Supplement to Ground Agreement, dated October 8, 2004 (a memorandum of which Second Supplement to Ground Agreement was recorded in Official Records Book 14325 at Page 52 of the Public Records of Hillsborough County, Florida) and a First Amendment to Ground Lease Agreement, dated as of April 1, 2012 recorded in Official Records Book 21058 at Page 1394 of the Public Records of Hillsborough County, Florida) (collectively, the "Ground Lease"); and

**WHEREAS**, in connection with the issuance of the Taxable Refunding Certificates of Participation (School Board of Hillsborough County, Florida Master Lease Program), Series 2020B Evidencing an Undivided Proportionate Interests 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 "Series 2020B Certificates"), 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 2020B Certificates related to the Series 2003B Project and any Refunding Certificates related to the Series 2003B Project, have been paid or provision for payment of the Series 2020B Certificates and any other Certificates evidencing an interest in the Series 2003B Lease has been made pursuant to Section 12.01 of the Trust Agreement and any Supplemental Rent arising under the Lease Agreement shall have been paid or provided for, or (b) July 1, 2032 (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."

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 2003B 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 2003B Project constructed on the Premises shall remain severed from title to the Premises until the earlier of (A) the date on which the Series 2020B Certificates related to the Series 2003B Project and any Refunding Certificates related to the Series 2003B Project 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 2020B Certificates related to the Series 2003B Project 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)."

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 2020B Certificates related to the Series 2003B Project and any Refunding Certificates related to the Series 2003B Project 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 the Series 2020B Certificates related to the Series 2003B Project and any outstanding 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.



7 Section 21 of the Ground Lease is hereby amended and restated in its entirety to read as follows:

"The Board reserves the right to modify, substitute, release or add land to all or any portion of the Premises described in Exhibit A hereto, as the same may be supplemented or amended from time to time. Upon any such modification, substitution, release or addition an appropriate instrument or instruments shall be recorded in the public books of Hillsborough County, Florida. Any supplement to this Ground Lease shall be in substantially in form of Exhibit C hereto. In connection with the release of all or any portion of the Premises hereunder in connection with the release of components of the Series 2003B Project pursuant to Section 15 of Second Amended and Restated Lease Schedule No. 2003B, such released portions of the Premises may be designated as Servient Property hereunder."

8. 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 Second 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: \_\_\_\_\_ By: \_\_\_\_\_  
Acting Superintendent/Secretary Chair

(SEAL)

**HILLSBOROUGH SCHOOL BOARD LEASING CORPORATION**

ATTEST:

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

(SEAL)

STATE OF FLORIDA )  
 )SS:  
COUNTY OF HILLSBOROUGH)

The foregoing instrument was acknowledged before me by means of  physical presence or  online notarization, this 20th day of May, 2020, by Melissa Snively and Addison Davis, 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)

\_\_\_\_\_  
Notary Public, State of Florida  
Name:  
My Commission Expires:  
My Commission No.:

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**APPENDIX H**

**FORM OF TAX OPINION OF SPECIAL COUNSEL**

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**FORM OF OPINION OF NABORS, GIBLIN & NICKERSON, P.A.,  
WITH RESPECT TO THE SERIES 2020 CERTIFICATES**

Upon delivery of the Series 2020 Certificates in definitive form, Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Special Counsel, proposes to render its opinion with respect to such Series 2020 Certificates in substantially the following form:

(Date of Delivery)

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 (i) \$56,700,000 aggregate principal amount of Refunding Certificates of Participation (School Board of Hillsborough County, Florida Master Lease Program), Series 2020A (the "Series 2020A Certificates") and (ii) \$76,530,000 aggregate principal amount of Taxable Refunding Certificates of Participation (School Board of Hillsborough County, Florida Master Lease Program), Series 2020B (the "Series 2020B Certificates", and together with the Series 2020A Certificates, the "Series 2020 Certificates"), each 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 in connection with the Lease Agreement 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 (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) Third Amended and Restated Lease Schedule No. 1999, dated as of May 1, 2020 ("Amended and Restated Lease Schedule No. 1999"), between the Corporation and the Board; (iii) Second Amended and Restated Lease Schedule No. 2003B, dated as of May 1, 2020 ("Amended and Restated Lease Schedule No. 2003B"), between the Corporation and the Board, (iv) the Master Trust Agreement, dated as of April 1, 1994, as amended (the "Trust Agreement"), by and among The Bank of New York Mellon Trust Company, N.A. (successor to NationsBank of Florida, N.A.), as trustee (the "Trustee"), the Board and the Corporation; (v) the Series 2020A Supplemental Trust Agreement, dated as of May 1, 2020 (the "Series 2020A Supplemental Trust Agreement" and together with the Trust Agreement, the "Series 2020A Trust Agreement"), by and among the Trustee, the Board and the Corporation; (vi) the Series 2020B Supplemental Trust Agreement, dated as of May 1, 2020 (the "Series 2020B Supplemental Trust Agreement," and together with the

Trust Agreement, the "Series 2020B Trust Agreement"), by and among the Trustee, the Board and the Corporation; (vii) the Assignment of Lease Agreement, dated as of April 1, 1994, as amended and supplemented, in particular by the Thirty-Fourth Amendment to Assignment of Lease Agreement, dated as of May 1, 2020 (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 Lease Agreement (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, (viii) the Ground Lease Agreement, dated as of October 1, 1999, as amended and supplemented, particularly as amended and supplemented by a Second Amendment to Ground Lease Agreement, dated as of May 1, 2020 (collectively, the "Series 1999 Ground Lease"), 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, (ix) the Ground Lease Agreement, dated as of September 1, 2003, as amended and supplemented, particularly as amended and supplemented by a Second Amendment to Ground Lease Agreement, dated as of May 1, 2020 (collectively, the "Series 2003B Ground Lease"), 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, (x) the Assignment of Ground Lease, dated as of October 1, 1999, as amended and supplemented, between the Corporation and the Trustee pursuant to which the Corporation has assigned to the Trustee its rights under the Series 1999 Ground Lease and its interest in the leasehold estate created thereby and (xi) the Assignment of Ground Lease, dated as of September 1, 2003, as amended and supplemented, between the Corporation and the Trustee pursuant to which the Corporation has assigned to the Trustee its rights under the Series 2003B Ground Lease and its interest in the leasehold estate created thereby. We have also examined a record of proceedings of the Board relating to all of the foregoing.

The proceeds of the Series 2020A Certificates, together with other available funds of the Board, will be used for the purposes of (i) defeasing to maturity or refunding, on a current basis, as applicable, all of the outstanding Refunding Certificates of Participation (School Board of Hillsborough County 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 "Refunded Series 2010A Certificates") and (ii) paying the costs of issuance of the Series 2020A Certificates.

Certain proceeds of the Series 2020A Certificates will be deposited into an escrow deposit trust fund (the "2010A Escrow Fund") established pursuant to the Escrow Deposit Agreement (Series 2010A Refunding), dated May 21, 2020 (the "2010A Escrow Agreement") between The Bank of New York Mellon Trust Company, N.A. as Escrow Agent (the "Escrow Agent"), and the Board, and invested in direct obligations of the United

States of America (the "2010A Escrow Securities"), such that the principal of and interest on such 2010A Escrow Securities, together with a cash deposit, shall be sufficient to pay the principal of, prepayment premium, if any, and interest on the Refunded Series 2010A Certificates as the same shall become due or are prepaid prior to maturity.

The proceeds of the Series 2020B Certificates, together with other available funds of the Board, will be used for the purposes of (i) refunding, on an advanced and taxable basis, all of the outstanding Refunding Certificates of Participation (School Board of Hillsborough County Master Lease Program), Series 2012A 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 "Refunded Series 2012A Certificates" and collectively with the Refunded Series 2010A Certificates the "Refunded Certificates") and (ii) paying the costs of issuance of the Series 2020B Certificates.

Certain proceeds of the Series 2020B Certificates will be deposited into an escrow deposit trust fund (the "2012A Escrow Fund," and together with the 2010A Escrow Fund, the "Escrow Funds") established pursuant to the Escrow Deposit Agreement (Series 2012A Refunding), dated May 21, 2020 (the "2012A Escrow Agreement") between the Escrow Agent and the Board, and invested in direct obligations of the United States of America (the "2012A Escrow Securities," and together with the 2010A Escrow Securities, the "Escrow Securities"), such that the principal of and interest on such 2012A Escrow Securities, together with a cash deposit, shall be sufficient to pay the principal of, prepayment premium, if any, and interest on the Refunded Series 2012A Certificates as the same shall become due or are prepaid prior to maturity.

Pursuant to the Lease Agreement, the Corporation is leasing certain educational and related facilities to the Board, including, without limitation, the Series 1999 Project (as described in Amended and Restated Lease Schedule No. 1999), and the Series 2003B Project (as described in the Amended and Restated Lease Schedule No. 2003B) 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 Series 2020A Certificates evidence an undivided proportionate interest in the Basic Rent Payments (as defined in the Trust Agreement) under the Lease Agreement, as amended and supplemented by Amended and Restated Lease Schedule No. 1999. The Series 2020B Certificates evidence an undivided proportionate interest in the Basic Rent Payments under the Lease Agreement, as amended and supplemented by Amended and Restated Lease Schedule No. 2003B. 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 in addition to the Series 1999 Project and the Series 2003B Project. 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 leased under the Lease Agreement or for none of them.

The Series 2020A Certificates are dated and shall bear interest from their date of delivery, except as otherwise provided in the Series 2020A Trust Agreement. The Series 2020A 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 Series 2020A Trust Agreement. Interest on the Series 2020A Certificates shall be payable on each July 1 and January 1, commencing July 1, 2020. The Series 2020A Certificates are not subject to prepayment prior to maturity.

The Series 2020B Certificates are dated and shall bear interest from their date of delivery, except as otherwise provided in the Series 2020B Trust Agreement. The Series 2020B 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 Series 2020B Trust Agreement. Interest on the Series 2020B Certificates shall be payable on each July 1 and January 1, commencing July 1, 2020. The Series 2020B Certificates are not subject to prepayment prior to maturity.

As to questions of fact material to our opinion, we have relied upon the representations of the Board and the Corporation contained in the Lease Agreement and in the Trust Agreement and in the certified proceedings and other certifications of officials furnished to us without undertaking to verify the same by independent investigation. Furthermore, we have assumed continuing compliance with the covenants and agreements contained in the Lease Agreement and the Trust Agreement. We have not undertaken an independent audit, examination, investigation or inspection of the matters described or contained in any agreements, documents, certificates, representations and opinions relating to the Series 2020 Certificates and have relied solely on the facts, estimates and circumstances described and set forth therein. In our examination of the foregoing, 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, under existing law, we are of the opinion that:

1. The Board is the duly organized and validly existing governing body of the School District of Hillsborough County, Florida and has all necessary power and authority to execute and deliver the Lease Agreement, Amended and Restated Lease Schedule No. 1999, Amended and Restated Lease Schedule 2003B, the Series 1999 Ground Lease, the Series 2003B Ground Lease, the Trust Agreement, the Series 2020A Supplemental Trust Agreement and the Series 2020B Supplemental Trust Agreement.

2. The Lease Agreement, Amended and Restated Lease Schedule No. 1999, Amended and Restated Lease Agreement 2003B, the Series 1999 Ground Lease, the Series 2003B Ground Lease, the Trust Agreement, the Series 2020A Supplemental Trust Agreement and the Series 2020B 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.

3. The Series 2020A 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 Lease Agreement, as amended and supplemented by Amended and Restated Lease Schedule No. 1999, and shall be entitled to the benefits and security of the Series 2010A Trust Agreement.

4. The Series 2020B Certificates, upon proper execution and authentication, shall evidence an undivided proportionate interest in the Basic Rent Payments made by the Board under the Lease Agreement, as amended and supplemented by Amended and Restated Lease Schedule No. 2003B, and shall be entitled to the benefits and security of the Series 2020B Trust Agreement.

5. Under existing statutes, regulations, rulings and court decisions, prior to the termination of the Lease Agreement 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 2020A 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. 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 Series 2020A 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 Series 2020A Certificates. The Board and the Corporation have covenanted in the Lease Agreement to comply with all such requirements. Ownership of the Series 2020A 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 2020A Certificates.

We express no opinion regarding the federal income tax or Florida tax consequences resulting from the ownership of the Series 2020A Certificates or the receipt by the owners thereof of payments on the Series 2020A Certificates following the termination of the Lease Agreement resulting from an Event of Non-Appropriation or Event of Default thereunder.

6. The Interest Component of the Basic Rent Payments received by the Owners of the Series 2020B Certificates is not excluded from gross income for federal income tax purposes and will be fully subject to federal income taxation.

7. Assuming the deposit and application of the 2010A Escrow Securities in accordance with the provisions of the 2010A Escrow Agreement, such application and deposit will cause, with respect to the Refunded Series 2010A Certificates only, the Trust Estate and the rights granted in the Trust Agreement to cease, terminate and be void and the issuance of the Series 2020A Certificates and the defeasance or refunding (prepayment), as applicable, of the Refunded Series 2010A Certificates shall not, in and of itself, cause the Interest Component of the Refunded Series 2010A Certificates to become included in the gross income of the Owners thereof for purposes of federal income taxation.

8. Assuming the deposit and application of the 2012A Escrow Securities in accordance with the provisions of the 2012A Escrow Agreement, such application and deposit will cause, with respect to the Refunded Series 2012A Certificates only, the Trust Estate and the rights granted in the Trust Agreement to cease, terminate and be void and the issuance of the Series 2020B Certificates and the refunding (prepayment) of the Refunded Series 2012A Certificates shall not, in and of itself, cause the Interest Component of the Refunded Series 2012A Certificates to become included in the gross income of the Owners thereof for purposes of federal income taxation.

In rendering the opinions set forth above, we are relying upon (a) the arithmetical accuracy of certain computations included in schedules provided by Ford & Associates, Inc. relating to the computations of projected receipts of the Escrow Securities and any other amounts deposited in the Escrow Funds, 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 (b) the verifications of the arithmetical accuracy of such computations by Robert Thomas CPA, LLC, a firm of independent certified public accountants.

The opinions expressed in paragraphs 2, 3 and 4 hereof are qualified to the extent that (i) the enforceability of the Lease Agreement, Amended and Restated Lease Schedule No. 1999, Amended and Restated Lease Schedule No. 2003B, the Trust Agreement, the Series 1999 Ground Lease, the Series 2003B Ground Lease, the Series 2020A Supplemental Trust Agreement and the Series 2020B Supplemental Trust Agreement, and the rights of the owners of the Series 2020 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, (ii) we have assumed the due authorization, execution and delivery of the Trust Agreement, Amended and Restated Lease Schedule No. 1999, Amended and Restated Lease Schedule No. 2003B, the Series 1999 Ground Lease, the Series 2003B Ground Lease, the Series 2020A Supplemental Trust Agreement and the Series 2020B Supplemental Trust Agreement by the Corporation and (iii) we have assumed the due authorization, execution and delivery of the Trust Agreement, the Series 2020A Supplemental Trust Agreement and the Series 2020B Supplemental Trust Agreement by the Trustee.

It should be noted that except as may expressly be set forth in an opinion delivered by us to the underwriters of the Series 2020 Certificates on the date hereof (upon which only they may rely), we have not been engaged or undertaken to review the (a) accuracy, sufficiency or completeness of the Offering Statement or other offering material relating to the Series 2020 Certificates and we express no opinion relating thereto, and (b) compliance with any federal or state law with regard to the sale or distribution of the Series 2020 Certificates and we express no opinion relating thereto.

The opinions set forth herein are expressly limited to, and we opine only with respect to, the laws of the State of Florida and the federal tax laws of the United States of America. The only opinions rendered hereby shall be those expressly stated as such herein, and no opinion shall be implied or inferred as a result of anything contained herein or omitted herefrom.

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 Series 2020 Certificates and, in our opinion, the form of the Series 2020 Certificates is regular and proper.

Respectfully submitted,

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**APPENDIX I**

**FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT**

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## DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (the "Disclosure Agreement"), dated as of May 21, 2020, is executed and delivered by The School Board of Hillsborough County, Florida (the "Issuer") and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the "Disclosure Dissemination Agent" or "DAC") for the benefit of the Holders (hereinafter defined) of the Series 2020 Certificates (hereinafter defined) and in order to assist the Issuer in processing certain continuing disclosure with respect to the Series 2020 Certificates in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the "Rule").

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the Issuer through use of the DAC system and do not constitute "advice" within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"). DAC will not provide any advice or recommendation to the Issuer or anyone on the Issuer's behalf regarding the "issuance of municipal securities" or any "municipal financial product" as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary. DAC is not a "Municipal Advisor" as such term is defined in Section 15B of the Securities Exchange Act of 1934, as amended, and related rules.

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Offering Statement (hereinafter defined). The capitalized terms shall have the following meanings:

"Annual Filing Date" means the date, set in Sections 2(a) and 2(f) hereof, by which the Annual Report is to be filed with the MSRB.

"Annual Financial Information" means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

"Annual Report" means an Annual Report containing Annual Financial Information described in and consistent with Section 3 of this Disclosure Agreement.

"Audited Financial Statements" means the annual financial statements of the Issuer for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i)(B) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

"Certification" means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure, or Voluntary Financial Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event

Disclosure, or Voluntary Financial Disclosure required to be submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Issuer and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

"Disclosure Dissemination Agent" means Digital Assurance Certification, L.L.C., acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Issuer pursuant to Section 9 hereof.

"Disclosure Representative" means the Superintendent or the Chief Finance Officer of the Issuer or his or her designee, or such other person as the Issuer shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

"Failure to File Event" means the Issuer's failure to file an Annual Report on or before the Annual Filing Date.

"Financial Obligation" means a (a) debt obligation, (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) guarantee of an obligation or instrument described in either clause (a) or (b). Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Force Majeure Event" means: (i) acts of God, war, or terrorist action; (ii) failure or shutdown of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent's reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

"Holder" means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2020 Certificates (including persons holding Series 2020 Certificates through nominees, depositories or other intermediaries) or (b) treated as the owner of any Series 2020 Certificates for federal income tax purposes.

"Information" means, collectively, the Annual Reports, the Audited Financial Statements, the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.



"MSRB" means the Municipal Securities Rulemaking Board, or any successor thereto, established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

"Notice Event" means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

"Obligated Person" means any person, including the Issuer, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Series 2020 Certificates (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), as shown on Exhibit A.

"Offering Statement" means that Offering Statement prepared by the Issuer in connection with the Series 2020 Certificates, as listed in Exhibit A.

"Series 2020 Certificates" means the certificates as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

"Trustee" means the institution identified as such in the document under which the Series 2020 Certificates were issued.

"Voluntary Event Disclosure" means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(11) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

"Voluntary Financial Disclosure" means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

## SECTION 2. Provision of Annual Reports.

(a) The Issuer shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, together with a copy for the Trustee, not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than March 31 after the end of each fiscal year of the Issuer, commencing with the fiscal year ending June 30, 2020. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide

the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Issuer will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB in substantially the form attached as Exhibit B, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 6:00 p.m. Eastern time on the Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Issuer irrevocably directs the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(d) If Audited Financial Statements of the Issuer are prepared but not available prior to the Annual Filing Date, the Issuer shall, when the Audited Financial Statements are available, provide at such time an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, together with a copy for the Trustee, for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

(i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;

(ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) hereof with the MSRB;

(iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) hereof with the MSRB;

(iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) hereof with the MSRB, identifying the Notice Event as instructed by the Issuer pursuant to Section 4(a) or 4(b)(ii) hereof (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:

1. "Principal and interest payment delinquencies;"
2. "Non-Payment related defaults, if material;"

3. "Unscheduled draws on debt service reserves reflecting financial difficulties;"
4. "Unscheduled draws on credit enhancements reflecting financial difficulties;"
5. "Substitution of credit or liquidity providers, or their failure to perform;"
6. "Adverse tax opinions, IRS notices or events affecting the tax status of the security;"
7. "Modifications to rights of securities holders, if material;"
8. "Bond calls, if material, and tender offers;"
9. "Defeasances;"
10. "Release, substitution, or sale of property securing repayment of the securities, if material;"
11. "Rating changes;"
12. "Bankruptcy, insolvency, receivership or similar event of the obligated person;"
13. "Merger, consolidation, or acquisition of the obligated person, if material;"
14. "Incurrence of a Financial Obligation of the Issuer or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer or obligated person, any of which affect security holders, if material;"
15. "Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the Issuer or obligated person, any of which reflect financial difficulties;" and
16. "Appointment of a successor or additional trustee, or the change of name of a trustee, if material;"

(v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as "Failure to

provide annual financial information as required" when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;

(vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) hereof with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Issuer pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:

1. "amendment to continuing disclosure undertaking;"
2. "change in obligated person;"
3. "notice to investors pursuant to bond documents;"
4. "certain communications from the Internal Revenue Service" other than those communications included in the Rule;
5. "secondary market purchases;"
6. "bid for auction rate or other securities;"
7. "capital or other financing plan;"
8. "litigation/enforcement action;"
9. "change of tender agent, remarketing agent, or other on-going party;"
10. "derivative or other similar transaction;" and
11. "other event-based disclosures."

(vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) hereof with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Issuer pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:

1. "quarterly/monthly financial information;"
2. "timing of annual disclosure;"
3. "change in fiscal year/timing of annual disclosure;"
4. "change in accounting standard;"

5. "interim/additional financial information/operating data;"
6. "budget;"
7. "investment/debt/financial policy;"
8. "information provided to rating agency, credit/liquidity provider or other third party;"
9. "consultant reports;" and
10. "other financial/operating data."

(viii) provide the Issuer evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Issuer may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, the Trustee, and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Anything in this Disclosure Agreement to the contrary notwithstanding, any Information received by the Disclosure Dissemination Agent before 6:00 p.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and all other information required by the terms of this Disclosure Agreement and that is accompanied by a Certification will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

### SECTION 3. Content of Annual Reports.

(a) Each Annual Report shall contain Annual Financial Information with respect to the Issuer, including the following information provided in the Offering Statement:

1. The tables entitled:
  - a. "Summary of Statistical Data;"
  - b. "Summary of Revenues and Expenses – General Fund;"
  - c. "Summary of Revenues and Expenses – Capital Projects Fund;"

- d. "Debt Statement;"
- e. "Anticipated Capital Outlay Millage Levy Required to Cover Maximum Annual Payments;"
- f. "School Taxable Value and Assessed Value of Taxable Property;"
- g. "District Levies;" and
- h. "Property Tax Levies and Collections;"

2. Description of any additional series of Certificates issued under the Trust Agreement.

(b) Audited Financial Statements prepared in accordance with generally accepted accounting principles ("GAAP"), as modified by applicable State of Florida requirements and the governmental accounting standards promulgated by the Governmental Accounting Standards Board will be included in the Annual Report. If audited financial statements are not available, then, unaudited financial statements, prepared in accordance with GAAP, as modified by applicable State of Florida requirements and the governmental accounting standards promulgated by the Governmental Accounting Standards Board will be included in the Annual Report. In such event, Audited Financial Statements (if any) will be provided pursuant to Section 2(d) of this Disclosure Agreement.

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Issuer is an "obligated person" (as defined by the Rule), which have been previously filed with the Securities and Exchange Commission or available on the MSRB Internet Website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer will clearly identify each such document so incorporated by reference.

If the Any Annual Financial Information contains modified operating data or financial information different from the Annual Financial Information agreed to in the continuing disclosure undertaking related to the Series 2020 Certificates, the Issuer is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events with respect to the Series 2020 Certificates constitutes a Notice Event:

- 1. Principal and interest payment delinquencies;
- 2. Non-payment related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2020 Certificates, or other material events affecting the tax status of the Series 2020 Certificates;
7. Modifications to rights of Certificate holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Series 2020 Certificates, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

**Note to subsection (a)(12) of this Section 4:** For the purposes of the event described in subsection (a)(12) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of

the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. Incurrence of a Financial Obligation of the Issuer or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer or obligated person, any of which affect security holders, if material;
15. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the Issuer or obligated person, any of which reflect financial difficulties; and
16. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

The Issuer shall, in a timely manner not later than nine (9) business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two business days of receipt of such notice (but in any event not later than the tenth (10th) business day after the occurrence of the Notice Event, if the Issuer determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that either (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).



(c) If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with MSRB in accordance with Section 2(e)(iv) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

SECTION 5. CUSIP Numbers. The Issuer will provide the Dissemination Agent with the CUSIP numbers for (i) new certificates at such time as they are issued or become subject to the Rule, and (ii) any Series 2020 Certificates to which new CUSIP numbers are assigned in substitution for the CUSIP numbers previously assigned to such Series 2020 Certificates

SECTION 6. Additional Disclosure Obligations. The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that the duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement do not extend to providing legal advice regarding such laws. The Issuer acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Filing.

(a) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(b) hereof to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice

may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-3.

(c) The parties hereto acknowledge that the Issuer is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(d) Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

SECTION 8. Termination of Reporting Obligation. The obligations of the Issuer and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Series 2020 Certificates upon the legal defeasance, prior redemption or payment in full of all of the Series 2020 Certificates, when the Issuer is no longer an obligated person with respect to the Series 2020 Certificates, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of counsel expert in federal securities laws to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The Issuer has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Issuer may, upon thirty (30) days written notice to the Disclosure Dissemination Agent and the Trustee, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Issuer or DAC, the Issuer agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Series 2020 Certificates. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable to the Disclosure Dissemination Agent until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Issuer.

SECTION 10. Remedies in Event of Default. In the event of a failure of the Issuer or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform

in accordance with this Disclosure Agreement shall not constitute a default on the Series 2020 Certificates or under any other document relating to the Series 2020 Certificates, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Series 2020 Certificates or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Issuer's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon Certifications of the Issuer at all times.

The obligations of the Issuer under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Series 2020 Certificates.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Issuer.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if the following conditions are satisfied: (a) the amendment or waiver may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Issuer, or the type of business conducted; (b) the undertaking, as amended or waived, would have complied with the requirements of the Rule at the time of the primary offering of the Series 2020 Certificates, after taking into account any amendments or interpretations of the Rule, as well as any

change in circumstances; and (c) the amendment does not materially impair the interests of the holders, as determined either by parties unaffiliated with the Issuer (such as the trustee or bond counsel), or by approving vote of bondholders pursuant to the terms of the governing instrument at the time of the amendment. Neither the Issuer nor the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than twenty (20) days written notice of the intent to do so together with a copy of the proposed amendment to the Issuer. No such amendment shall become effective if the Issuer shall, within ten (10) days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Trustee, the Disclosure Dissemination Agent, the underwriters, and the Holders from time to time of the Series 2020 Certificates, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Florida.

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Remainder of page intentionally left blank.]

The Disclosure Dissemination Agent and the Issuer have caused this Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION,  
L.L.C., as Disclosure Dissemination Agent

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

Name: Diana O'Brien

Title: Client Service Manager Director

THE SCHOOL BOARD OF HILLSBOROUGH  
COUNTY, FLORIDA, as Issuer

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

Name: Melissa Snively

Title: Chair

**EXHIBIT A  
NAME AND CUSIP NUMBERS OF BONDS**

Name of Issuer: The School Board of Hillsborough County, Florida

Obligated Person(s): The School Board of Hillsborough County, Florida

Name of Bond Issue: Refunding Certificates of Participation (School Board of Hillsborough County, Florida Master Lease Program), Series 2020A 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

Taxable Refunding Certificates of Participation (School Board of Hillsborough County, Florida Master Lease Program), Series 2020B 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

Date of Issuance: May 21, 2020

Date of Offering Statement: May 14, 2020

**Series 2020A Certificates**

<b>Maturity (July 1)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Yield</b>	<b>Price</b>	<b>Initial CUSIP Number</b>
2027	\$18,360,000	5.000%	1.570%	122.991	43232VVB4
2029	38,340,000	5.000%	1.770%	127.066	43232VVC2

**Series 2020B Certificates**

<b>Maturity (July 1)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Yield</b>	<b>Price</b>	<b>Initial CUSIP Number</b>
2021	\$ 4,875,000	1.261%	1.261%	100.000	43232VVD0
2022	4,935,000	1.361%	1.361%	100.000	43232VVE8
2023	5,005,000	1.553%	1.553%	100.000	43232VVF5
2024	28,100,000	1.815%	1.815%	100.000	43232VVG3
2025	28,610,000	1.915%	1.915%	100.000	43232VVH1

\$5,005,000 2.191% Term Series 2020B Certificates due on July 1, 2027, Yield 2.191%, Price 100.000,  
CUSIP No. 43232VVJ7

**EXHIBIT B**  
**NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: The School Board of Hillsborough County, Florida

Obligated Person: The School Board of Hillsborough County, Florida

Name(s) of Bond Issue(s): Refunding Certificates of Participation (School Board of Hillsborough County, Florida Master Lease Program), Series 2020A 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

Taxable Refunding Certificates of Participation (School Board of Hillsborough County, Florida Master Lease Program), Series 2020B 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

Date(s) of Issuance: May 21, 2020

Date(s) of Disclosure Agreement: May 21, 2020

CUSIP Number:

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual report with respect to the above-named Series 2020 Certificates as required by the Disclosure Agreement between the Issuer and Digital Assurance Certificate, L.L.C., as Disclosure Dissemination Agent. [The Issuer has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by \_\_\_\_\_.]

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

DIGITAL ASSURANCE CERTIFICATION,  
L.L.C., as Disclosure Dissemination Agent, on  
behalf of the Issuer

---

cc:

**EXHIBIT C-1**  
**EVENT NOTICE COVER SHEET**

This cover sheet and accompanying "event notice" may be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name: The School Board of Hillsborough County, Florida

Issuer's Six-Digit CUSIP Number:

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Or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates:

---

Number of pages attached: \_\_\_\_\_

\_\_\_\_\_ Description of Notice Events (Check One):

1. \_\_\_\_\_ Principal and interest payment delinquencies;
2. \_\_\_\_\_ Non-payment related defaults, if material;
3. \_\_\_\_\_ Unscheduled draws on debt service reserves reflecting financial difficulties;
4. \_\_\_\_\_ Unscheduled draws on credit enhancements reflecting financial difficulties;
5. \_\_\_\_\_ Substitution of credit or liquidity providers, or their failure to perform;
6. \_\_\_\_\_ Adverse tax opinions, IRS notices or events affecting the tax status of the security;
7. \_\_\_\_\_ Modifications to rights of securities holders, if material;
8. \_\_\_\_\_ Bond calls, if material, and tender offers;
9. \_\_\_\_\_ Defeasances;
10. \_\_\_\_\_ Release, substitution, or sale of property securing repayment of the securities, if material;
11. \_\_\_\_\_ Rating changes;
12. \_\_\_\_\_ Bankruptcy, insolvency, receivership or similar event of the obligated person;
13. \_\_\_\_\_ Merger, consolidation, or acquisition of the obligated person, if material;
14. \_\_\_\_\_ Incurrence of a Financial Obligation of the Issuer or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer or obligated person, any of which affect security holders, if material;
15. \_\_\_\_\_ Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the Issuer or obligated person, any of which reflect financial difficulties; and
16. \_\_\_\_\_ Appointment of a successor or additional trustee or the change of name of a trustee, if material.

\_\_\_\_\_ Failure to provide annual financial information as required.



I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

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

Digital Assurance Certification, L.L.C.  
315 East Robinson Street  
Suite 300  
Orlando, FL 32801  
407-515-1100

Date: \_\_\_\_\_

**EXHIBIT C-2**  
**VOLUNTARY EVENT DISCLOSURE COVER SHEET**

This cover sheet and accompanying "voluntary event disclosure" may be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of May 21, 2020, between the Issuer and DAC.

Issuer's and/or Other Obligated Person's Name: The School Board of Hillsborough County, Florida

Issuer's Six-Digit CUSIP Number:

\_\_\_\_\_

Or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

\_\_\_\_\_

Number of pages attached: \_\_\_\_\_

\_\_\_\_\_ Description of Voluntary Event Disclosure (Check One):

1. \_\_\_\_\_ Amendment to continuing disclosure undertaking;
2. \_\_\_\_\_ Change in obligated person;
3. \_\_\_\_\_ Notice to investors pursuant to bond documents;
4. \_\_\_\_\_ Certain communications from the Internal Revenue Service;
5. \_\_\_\_\_ Secondary market purchases;
6. \_\_\_\_\_ Bid for auction rate or other securities;
7. \_\_\_\_\_ Capital or other financing plan;
8. \_\_\_\_\_ Litigation/enforcement action;
9. \_\_\_\_\_ Change of tender agent, remarketing agent, or other on-going party;
10. \_\_\_\_\_ Derivative or other similar transaction; and
11. \_\_\_\_\_ Other Event-based disclosures.

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

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

Digital Assurance Certification, L.L.C.  
315 East Robinson Street  
Suite 300  
Orlando, FL 32801  
407-515-1100

Date: \_\_\_\_\_

**EXHIBIT C-3**  
**VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET**

This cover sheet and accompanying "voluntary financial disclosure" may be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of May 21, 2020, between the Issuer and DAC.

Issuer's and/or Other Obligated Person's Name: The School Board of Hillsborough County, Florida

Issuer's Six-Digit CUSIP Number:

\_\_\_\_\_

Or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

\_\_\_\_\_

Number of pages attached: \_\_\_\_\_

\_\_\_\_\_ Description of Voluntary Financial Disclosure (Check One):

1. \_\_\_\_\_ Quarterly/monthly financial information;
2. \_\_\_\_\_ Change in fiscal year/timing of annual disclosure;
3. \_\_\_\_\_ Change in accounting standard;
4. \_\_\_\_\_ Interim/additional financial information/operating data;
5. \_\_\_\_\_ Budget;
6. \_\_\_\_\_ Investment/debt/financial policy;
7. \_\_\_\_\_ Information provided to rating agency, credit/liquidity provider or other third party;
8. \_\_\_\_\_ Consultant reports; and
9. \_\_\_\_\_ Other financial/operating data.

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

\_\_\_\_\_

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

Digital Assurance Certification, L.L.C.  
315 East Robinson Street  
Suite 300  
Orlando, FL 32801  
407-515-1100

Date: \_\_\_\_\_

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**Hillsborough County**  
PUBLIC SCHOOLS  
*Excellence in Education*

