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**SERIES 2011B SUPPLEMENTAL TRUST AGREEMENT**

**by and among**

**U.S. BANK NATIONAL ASSOCIATION,  
as successor Trustee**

**and**

**ST. LUCIE SCHOOL BOARD LEASING CORPORATION,  
as Lessor**

**and**

**SCHOOL BOARD OF ST. LUCIE COUNTY, FLORIDA,  
as Lessee**

**Dated as of \_\_\_\_\_, 2011**

**Relating to  
Refunding Certificates of Participation  
(School Board of St. Lucie County, Florida Master Lease Program, Series 2011B)  
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 St. Lucie County, Florida**

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## **SERIES 2011B SUPPLEMENTAL TRUST AGREEMENT**

**THIS SERIES 2011B SUPPLEMENTAL TRUST AGREEMENT**, dated as of \_\_\_\_\_, 2011 (the "Series 2011B Supplemental Trust Agreement"), supplementing the Trust Agreement, dated as of September 1, 1990, as amended and supplemented (the "Trust Agreement"), by and among **U.S. BANK NATIONAL ASSOCIATION** (successor to Wachovia Bank, National Association, formerly First Union National Bank, as successor to The Bank of New York, as successor to NationsBank of Florida, N.A., as successor to First Florida Bank, N.A.), a national banking association with corporate trust powers qualified to accept trusts of the type set forth in the Trust Agreement, as successor trustee (the "Trustee"), the **ST. LUCIE SCHOOL BOARD LEASING CORPORATION**, a single-purpose, not-for-profit corporation duly organized and existing under the laws of the State of Florida (the "Corporation"), and the **SCHOOL BOARD OF ST. LUCIE COUNTY, FLORIDA**, acting as the governing body of the School District of St. Lucie County, Florida (the "Board").

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

**WHEREAS**, the Board has 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 September 1, 1990, as amended and supplemented (the "Lease Agreement"), between the Corporation, as lessor, and the Board, as lessee; and

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

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

**WHEREAS**, the Trustee has agreed to deliver a Series of Certificates pursuant to and upon receipt of a Request and Authorization (as defined in the Trust Agreement) from the Corporation and the Board and the terms of this Series 2011B Supplemental Trust Agreement; and

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

Section 6.03 of the Lease Agreement and its right to enter into Lease Schedules from time to time, pursuant to the Assignment of Lease Agreement, dated as of September 1, 1990, as it may be amended and supplemented from time to time (the "Assignment Agreement"), between the Corporation and the Trustee; and

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

**WHEREAS**, the Board has heretofore caused the Trustee to execute, authenticate and deliver, under the Trust Agreement, \$41,315,000 Certificates of Participation (School Board of St. Lucie County, Florida Master Lease Program, Series 2001A) (the "Series 2001A Certificates"), which Series 2001A Certificates are currently outstanding in the aggregate principal amount of \$[7,265,000]; and

**WHEREAS**, the proceeds of the Series 2001A Certificates were principally used to finance and refinance the costs of acquisition, construction and installation of various educational facilities (the "Series 1990A Project") and refund a portion of the outstanding Certificates of Participation (School Board of St. Lucie County, Florida Master Lease Program, Series 1993) (the "Series 1993 Certificates"), as more particularly described in Second Amended and Restated Lease Schedule No. 1990A, dated as of July 15, 2001; and

**WHEREAS**, the Board has heretofore caused the Trustee to execute, authenticate and deliver, under the Trust Agreement, \$8,125,000 Certificates of Participation (School Board of St. Lucie County, Florida Master Lease Program, Series 2001B) (the "Series 2001B Certificates"), which Series 2001B Certificates are currently outstanding in the aggregate principal amount of \$[1,640,000]; and

**WHEREAS**, the proceeds of the Series 2001B Certificates were principally used to refinance the costs of acquisition, construction and installation of various educational facilities (the "Series 1995 Project") and refund all of the outstanding Certificates of Participation (School Board of St. Lucie County, Florida Master Lease Program, Series 1995), as more particularly described in Amended and Restated Lease Schedule No. 1995A, dated as of July 15, 2001; and

**WHEREAS**, the Board has heretofore caused the Trustee to execute, authenticate and deliver, under the Trust Agreement, \$20,960,000 Certificates of Participation (School Board of St. Lucie County, Florida Master Lease Program, Series 2001C) (the "Series 2001C Certificates"), which Series 2001C Certificates are currently outstanding in the aggregate principal amount of \$[4,285,000]; and

**WHEREAS**, the proceeds of the Series 2001C Certificates were principally used to refinance the costs of acquisition, construction and installation of various educational

facilities (the "Series 2000 Project") and refund all of the outstanding Certificates of Participation (School Board of St. Lucie County, Florida Master Lease Program, Series 2000), as more particularly described in Amended and Restated Lease Schedule No. 2000, dated as of July 15, 2001; and

**WHEREAS**, the Board has heretofore caused the Trustee to execute, authenticate and deliver, under the Trust Agreement, \$34,805,000 Certificates of Participation (School Board of St. Lucie County, Florida Master Lease Program, Series 2003A) (the "Series 2003A Certificates"), which Series 2003A Certificates are currently outstanding in the aggregate principal amount of \$3,675,000; and

**WHEREAS**, the proceeds of the Series 2003A Certificates were principally used to finance and refinance the costs of acquisition, construction and installation of the Series 1990A Project and refund all of the remaining outstanding Series 1993 Certificates, as more particularly described in Third Amended and Restated Lease Schedule No. 1990A, dated as of April 1, 2003; and

**WHEREAS**, the Board has heretofore caused the Trustee to execute, authenticate and deliver, under the Trust Agreement \$54,850,000 Refunding Certificates of Participation (School Board of St. Lucie County, Florida Master Lease Program, Series 2011A) (the "Series 2011A Certificates"), which Series 2011A Certificates are currently outstanding in the aggregate principal amount of \$[53,875,000]; and

**WHEREAS**, the proceeds of the Series 2011A Certificates were principally used to finance and refinance a portion of the Series 1990A Project, the Series 1995 Project and the Series 2000 Project and refund a portion of the outstanding Series 2001A Certificates, Series 2001B Certificates, Series 2001C Certificates and Series 2003A Certificates; and

**WHEREAS**, the Trustee has received a Request and Authorization from the Corporation and the Board relating to the issuance of \$\_\_\_\_\_ aggregate principal amount of "Refunding Certificates of Participation (School Board of St. Lucie County, Florida Master Lease Program, Series 2011B), 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 St. Lucie County, Florida" (the "Series 2011B Certificates"); and

**WHEREAS**, the Board and the Corporation have determined and agreed that proceeds of the Series 2011B Certificates shall be used to refund the remaining outstanding Series 2001A Certificates, Series 2001B Certificates, Series 2001C Certificates and Series 2003A Certificates, as more particularly described herein (collectively, the "Refunded Certificates") in order to achieve certain debt service savings; and

**WHEREAS**, a portion of the proceeds of the Series 2011B Certificates shall be deposited into an escrow deposit trust fund established pursuant to the Escrow Deposit Agreement, between the Board and U.S. Bank National Association, as escrow agent (the "Escrow Deposit Agreement") and shall constitute the deposit of prepaid Basic Rent Payments by the Board; and

**WHEREAS**, the deposit of the prepaid Basic Rent Payments in the escrow deposit trust fund shall be in an amount sufficient to pay the principal of, redemption premium, if any, and interest on the Refunded Certificates, as the same becomes due or are redeemed prior to maturity; and

**WHEREAS**, the Lease Agreement will continue to secure the payment of Supplemental Rent and any deficiency in the prepaid Basic Rent Payments on deposit in the escrow deposit trust fund established under the Escrow Deposit Agreement and securing the Refunded Certificates; and

**WHEREAS**, in consideration for the deposit of such prepaid Basic Rent Payments, the Board has agreed to enter into a Fifth Amended and Restated Lease Schedule No. 1990A, dated as of \_\_\_\_\_, 2011 (the "Fifth Amended and Restated Lease Schedule No. 1990A"), with the Corporation, whereby the Board will continue to lease the Series 1990A Project from the Corporation and agree to make Basic Rent Payments sufficient to pay the principal of and interest on a portion of the Series 2011A Certificates and a portion of the Series 2011B Certificates; and

**WHEREAS**, in consideration for the deposit of such prepaid Basic Rent Payments, the Board has agreed to enter into a Third Amended and Restated Lease Schedule No. 1995, dated as of \_\_\_\_\_, 2011 (the "Third Amended and Restated Lease Schedule No. 1995"), with the Corporation, whereby the Board will continue to lease the Series 1995 Project from the Corporation and agree to make Basic Rent Payments sufficient to pay the principal of and interest on a portion of the Series 2011A Certificates and a portion of the Series 2011B Certificates; and

**WHEREAS**, in consideration for the deposit of such prepaid Basic Rent Payments, the Board has agreed to enter into a Third Amended and Restated Lease Schedule No. 2000, dated as of \_\_\_\_\_, 2011 (the "Third Amended and Restated Lease Schedule No. 2000"), with the Corporation, whereby the Board will continue to lease the Series 2000 Project from the Corporation and agree to make Basic Rent Payments sufficient to pay the principal of and interest on the a portion of the Series 2011A Certificates and a portion of the Series 2011B Certificates; and

**WHEREAS**, the Series 2011B Certificates shall be secured in the manner provided in the Trust Agreement on a pro rata basis with the Series 2011A Certificates and shall have the terms and provisions contained in this Series 2011B Supplemental Trust Agreement; and

**WHEREAS**, all things necessary to make the Series 2011B Certificates, when authenticated by the Trustee and issued as provided herein and in the Trust Agreement, the valid, binding and legal obligations according to the terms thereof, have been done and performed, and the creation, execution and delivery of this Series 2011B Supplemental Trust Agreement, and the creation, execution and issuance of the Series 2011B Certificates subject to the terms hereof, have in all respects been duly authorized;

**NOW, THEREFORE, THIS SERIES 2011B SUPPLEMENTAL TRUST AGREEMENT WITNESSETH:**



## **ARTICLE I DEFINITIONS**

**SECTION 101. DEFINITIONS.** Words and terms which are defined in the Trust Agreement, shall have the same meanings ascribed to them when used herein, unless the context or use indicates a different meaning or intent. In addition to the words and terms elsewhere defined in this Series 2011B Supplemental Trust Agreement, the following words and terms as used in this Series 2011B Supplemental Trust Agreement shall have the following meanings unless the context or use indicates another or different meaning or intent:

**"AGM" or "Insurer"** means Assured Guaranty Municipal Corp., a New York stock insurance company, and any successor thereto or assignee thereof.

**"Board"** means the School Board of St. Lucie County, Florida, acting as the governing body of School District of St. Lucie County, Florida and any successor thereto.

**"Corporation"** means the St. Lucie School Board Leasing Corporation and any successor thereto.

**"Escrow Deposit Agreement"** means that certain Escrow Deposit Agreement dated as of \_\_\_\_\_, 2011, between the Board and U.S. Bank National Association, as escrow agent, relating to the refunding of the Refunded Certificates.

**"Fifth Amended and Restated Lease Schedule No. 1990A"** means the Fifth Amended and Restated Lease Schedule No. 1990A to the Lease Agreement relating to the Series 1990A Project, a portion of the Series 2011B Certificates and a portion of the Series 2011A Certificates, dated as of \_\_\_\_\_ 1, 2011, between the Corporation and the Board.

**"Insured Series 2011B Certificates"** means the Series 2011B Certificates maturing on July 1 in the years 20\_\_ through 20\_\_, inclusive.

**"Municipal Bond Insurance Policy"** means the insurance policy issued by AGM guaranteeing the payment of the principal and interest with respect to the Insured Series 2011B Certificates when due, as provided therein.

**"Refinanced Projects"** means, collectively, the Series 1990A Project, the Series 1995 Project and the Series 2000 Project.

**"Refunded Certificates"** means, collectively, the Refunded Series 2001 Certificates and the Refunded Series 2003A Certificates.

**"Refunded Series 2001 Certificates"** means, collectively, the Refunded Series 2001A Certificates, the Refunded Series 2001B Certificates and the Refunded Series 2001C Certificates.

**"Refunded Series 2001A Certificates"** means the Series 2001A Certificates maturing on July 1 in the years 20\_\_ and 20\_\_ that are refunded in connection with the issuance of the Series 2011B Certificates, as described in the Escrow Deposit Agreement.

**"Refunded Series 2001B Certificates"** means the Series 2001B Certificates maturing on July 1, 20\_\_ that are refunded in connection with the issuance of the Series 2011B Certificates, as described in the Escrow Deposit Agreement.

**"Refunded Series 2001C Certificates"** means the Series 2001C Certificates maturing on July 1 in the years 20\_\_ through 20\_\_ that are refunded in connection with the issuance of the Series 2011B Certificates, as described in the Escrow Deposit Agreement.

**"Refunded Series 2003A Certificates"** means the Series 2003A Certificates that are maturing on July 1, 20\_\_, that are refunded in connection with the issuance of the Series 2011B Certificates, as described in the Escrow Deposit Agreement.

**"Related Documents"** means the Trust Agreement, the Lease Agreement, the Ground Lease and the Assignment Agreement, as such documents may be supplemented and amended from time to time.

**"Reserve Requirement"** means, with regard to the Series 2011B Certificates, zero dollars (\$0.00).

**"Series 1990A Project"** means the property and improvements described as the "Series 1990A Project" in the Fifth Amended and Restated Lease Schedule No. 1990A, as the same may be amended or modified from time to time.

**"Series 1995 Project"** means the property and improvements described as the "Series 1995 Project" in the Third Amended and Restated Lease Schedule No. 1995, as the same may be amended or modified from time to time.

**"Series 2000 Project"** means the property and improvements described as the "Series 2000 Project" in the Third Amended and Restated Lease Schedule No. 2000, as the same may be amended or modified from time to time.

**"Series 2011B Certificates"** means the \$\_\_\_\_\_ aggregate principal amount of Refunding Certificates of Participation authorized to be issued under Section 4.01 of the Trust Agreement and Section 201 hereof.

**"Series 2011B Supplemental Trust Agreement"** means this instrument, as may be amended and supplemented.

**"Series 2011B Account of the Redemption Fund"** means the Series 2011B Account established in the Redemption Fund pursuant to Section 6.02(b) of the Trust Agreement and Section 401 hereof.

**"Series 2011B Pledged Accounts"** means the Series 2011B Subaccount of the Costs of Issuance Account, the Series 2011B Subaccount of the Interest Account, the Series 2011B Subaccount of the Principal Account, and the Series 2011B Account of the Redemption Fund.

**"Series 2011B Subaccount of the Costs of Issuance Account"** means the Series 2011B Subaccount established in the Costs of Issuance Account pursuant to Section 6.02(b) of the Trust Agreement and Section 401 hereof.

**"Series 2011B Subaccount of the Interest Account"** means the Series 2011B Subaccount established in the Interest Account pursuant to Section 6.02(b) of the Trust Agreement and Section 401 hereof.

**"Series 2011B Subaccount of the Principal Account"** means the Series 2011B Subaccount established in the Principal Account pursuant to Section 6.02(b) of the Trust Agreement and Section 401 hereof.

**"Third Amended and Restated Lease Schedule No. 1995"** means Third Amended and Restated Lease Schedule No. 1995 to the Lease Agreement relating to the Series 1995 Project, a portion of the Series 2011B Certificates and a portion of the Series 2011A Certificates, dated as of \_\_\_\_\_, 2011, between the Corporation and the Board.

**"Third Amended and Restated Lease Schedule No. 2000"** means Third Amended and Restated Lease Schedule No. 2000 to the Lease Agreement relating to the Series 2000 Project, a portion of the Series 2011B Certificates and a portion of the Series 2011A Certificates, dated as of \_\_\_\_\_, 2011, between the Corporation and the Board.

**"Transaction Lease Schedules"** means, collectively, Fifth Amended and Restated Lease Schedule No. 1990A, Third Amended and Restated Lease Schedule No. 1995 and Third Amended and Restated Lease Schedule No. 2000.

**"Trust Agreement"** means the Trust Agreement, dated as of September 1, 1990, among the Trustee, the Corporation and the Board, as amended and supplemented, particularly as supplemented by this Series 2011B Supplemental Trust Agreement, among the Trustee, the Corporation and the Board.

**"Trustee"** means U.S. Bank National Association and any successor thereto.

**ARTICLE II**  
**THE SERIES 2011B CERTIFICATES**

**SECTION 201. AUTHORIZATION OF SERIES 2011B CERTIFICATES.**

(a) There is hereby created a Series of Certificates to be issued under the Trust Agreement to be known as "Refunding Certificates of Participation (School Board of St. Lucie County, Florida Master Lease Program, Series 2011B) 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 St. Lucie County, Florida." The aggregate principal amount of Series 2011B Certificates which may be issued is hereby expressly limited to \$\_\_\_\_\_. The Series 2011B Certificates shall be issued for the purposes of (1) refunding, on a current basis, the Refunded Certificates and (2) paying Costs of Issuance of the Series 2011B Certificates. The Series 2011B 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 2011B Certificates shall be lettered and numbered R-1 and upward.

(b) The Series 2011B Certificates shall be dated as of their date of delivery. Interest on the Series 2011B Certificates shall be payable on each Payment Date, commencing [July 1, 2012]. The Series 2011B Certificates shall be payable in the manner provided in the Trust Agreement.

(c) The Series 2011B 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:

Maturity <u>(July 1)</u>	Principal <u>Amount</u>	Interest <u>Rate</u>
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(d) All of the Series 2011B Certificates shall be Serial Certificates. The Series 2011B Certificates shall be substantially in the form set forth in Exhibit B to the Trust Agreement.

**SECTION 202. ISSUANCE OF SERIES 2011B CERTIFICATES.** The Series 2011B Certificates shall be issued upon delivery to the Trustee of the documents required by Section 4.13(b) of the Trust Agreement and the payment of the purchase price therefor.

**SECTION 203. REFUNDING OF REFUNDED CERTIFICATES.** Upon the delivery of the Series 2011B Certificates, the Refunded Certificates shall be refunded as provided in the Trust Agreement and the Escrow Deposit Agreement.

**SECTION 204. LETTER OF INSTRUCTIONS.** Attached hereto as Schedule 1 is the Letter of Instructions relating to the Series 2011B Certificates as required by Section 6.12 of the Trust Agreement. The Trustee and the Board agree to abide by the provisions applicable to each of such Letter of Instructions in accordance with and to the extent of the terms of the Trust Agreement.

**SECTION 205. FULL BOOK-ENTRY.** Notwithstanding the provisions set forth in Section 201 hereof or Section 4.06 of the Trust Agreement, the Series 2011B Certificates shall be initially issued in the form of a separate single certificated fully registered Series 2011B Certificate for each of the maturities of the Series 2011B Certificates. Upon initial issuance, the ownership of each such Series 2011B 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 2011B 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 2011B Certificates shall be registered in the name of Cede & Co., all payments of interest on the Series 2011B Certificates shall be made by the Trustee by check or draft or by wire transfer to Cede & Co., as Holder of the Series 2011B Certificates.

With respect to Series 2011B 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 2011B 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 2011B Certificates, including any notice of redemption, 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 2011B Certificates. The Board, the Corporation and the Trustee may treat and consider the Person in whose name each Series 2011B Certificate is registered in the registration books kept by the Trustee as the Holder and absolute owner of such Series 2011B Certificate for the purpose of payment of principal of, premium, if any, and interest

with respect to such Series 2011B Certificate, for providing notices with respect to such Series 2011B Certificate, for the purpose of registering transfers with respect to such Series 2011B Certificate, for the purpose of providing notices of redemption, and for all other purposes whatsoever. The Trustee shall pay all principal of, premium, if any, and interest on the Series 2011B 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 2011B 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 2011B 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 2011B 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 2011B Certificates or (ii) to the effect that DTC is unable or unwilling to discharge its responsibilities and no substitute depository willing to undertake the functions of DTC hereunder can be found which is willing and able to undertake such functions upon reasonable and customary terms, or (B) determination by the Board, in its sole discretion, that such book-entry only system is burdensome to the Board, the Series 2011B 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 2011B 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 2011B Certificates.

**ARTICLE III**  
**APPLICATION OF SERIES 2011B CERTIFICATE PROCEEDS AND**  
**TRANSFER OF MONEYS**

**SECTION 301. APPLICATION OF SERIES 2011B CERTIFICATE PROCEEDS.** The proceeds of the Series 2011B Certificates (not including the underwriting discount of \$\_\_\_\_\_ and the premium for the Municipal Bond Insurance Policy of \$\_\_\_\_\_) shall be applied by the Trustee as follows:

(a) Deposit to the credit of a Series 2011B Subaccount of the Costs of Issuance Account an amount equal to the Costs of Issuance (\$\_\_\_\_\_); and

(c) Deposit irrevocably in trust to the credit of the escrow deposit trust fund established under the Escrow Deposit Agreement an amount equal to \$\_\_\_\_\_ which, together with any other sums deposited therein, shall be sufficient to purchase United States Treasury Obligations in the manner set forth in the Escrow Deposit Agreement, which investments shall mature at such times and in such amounts as shall be sufficient to pay the Refunded Certificates as the same mature or are earlier called for prepayment.

All moneys on deposit in the Subaccounts described in Section 301 hereof shall be applied herein and disbursed by the Trustee in the manner and for the purposes described in the Trust Agreement.

**ARTICLE IV**  
**ESTABLISHMENT OF SERIES 2011B PLEDGED ACCOUNTS**

**SECTION 401. ESTABLISHMENT OF SERIES 2011B 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 2011B Certificates, the following account and subaccounts:

(a) The "School Board of St. Lucie County, Florida Master Lease Series 2011B Subaccount of the Costs of Issuance Account."

(b) The "School Board of St. Lucie County, Florida Master Lease Series 2011B Subaccount of the Interest Account."

(c) The "School Board of St. Lucie County, Florida Master Lease Series 2011B Subaccount of the Principal Account."

(d) The "School Board of St. Lucie County, Florida Master Lease Series 2011B Account of the Redemption Fund."

The moneys on deposit in the Account 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 2011B Pledged Accounts shall be invested solely in Permitted Investments.

**SECTION 402. SECURITY FOR SERIES 2011B CERTIFICATES.** The Series 2011B 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) (a) which is derived from the sale, re-letting or other disposition of the Series 1990A Project shall be utilized solely for the benefit of the Owners of the Series 2011B Certificates related to the Series 1990A Project, on a pro rata basis with the Owners of the Series 2011A Certificates related to the Series 1990 Project, (b) which is derived from the sale, re-letting or other disposition of the Series 1995 Project shall be utilized solely for the benefit of the Owners of the Series 2011B Certificates related to the Series 1995 Project, on a pro rata basis with the Owners of the Series 2011A Certificates related to the Series 1995 Project and (c) which is derived from the sale, re-letting or other disposition of the Series 2000 Project shall be utilized solely for the benefit of the Owners of the Series 2011B Certificates related to the Series 2000 Project, on a pro rata basis with the Owners of the Series 2011A Certificates related to the Series 2000 Project and (ii) any cash, securities and investments in the Series 2011B Pledged Accounts shall be utilized solely for the benefit of the Owners of the Series 2011B Certificates. The Owners of the Series 2011B 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 Refinanced Projects (on a pro rata basis with the Owners of the Series 2011A Certificates as described herein), or any cash, securities and investments in the Pledged Accounts, other than the Series 2011B Pledged Accounts.

**SECTION 403. COSTS OF ISSUANCE ACCOUNT.** Notwithstanding Section 6.04 of the Trust Agreement, upon the earlier of (i) receipt of a certificate executed by an Authorized Officer of the Board stating that all Costs of Issuance relating to the Series 2011B Certificates have been paid or (ii) 180 days after the dated date of the Series 2011B Certificates, the Trustee shall transfer any amounts remaining in the Series 2011B Subaccount of the Costs of Issuance Account to the Series 2011B Subaccount of the Interest Account to pay interest next due on the Series 2011B Certificates.

**SECTION 404. CREDIT ENHANCEMENT.** The Insured Series 2011B Certificates shall be further secured by a Municipal Bond Insurance Policy issued by AGM, which shall be the Credit Enhancer and Insurer for the Insured Series 2011B Certificates. AGM shall have all the rights provided for such Credit Enhancer under the terms of the Trust Agreement and under the terms hereof.

**ARTICLE V**  
**REDEMPTION OF SERIES 2011B CERTIFICATES**

**SECTION 501. REDEMPTION DATES AND PRICES OF SERIES 2011B CERTIFICATES.** (a) The Series 2011B Certificates are subject to redemption only as provided in this Section. The Series 2011B Certificates are not subject to extraordinary mandatory prepayment prior to maturity pursuant to Section 6.03(g) of the Trust Agreement or Section 5.08(c) of the Lease Agreement.

(b) The Series 2011B Certificates maturing on and after July 1, 20\_\_ may be prepaid, from prepayments of Basic Rent made by the Board pursuant to the Lease Agreement, in whole or in part on July 1, 20\_\_ or any date thereafter, and if in part, in such order of maturities as may be designated by the Board or if not so designated, in the inverse order of maturities, and by lot within a maturity in such manner as may be designated by the Trustee, at a Prepayment Price equal to the principal portion of Series 2011B Certificates to be prepaid, plus accrued interest to the prepayment date.

**ARTICLE VI**  
**PROVISIONS RELATING TO SERIES 2011B CERTIFICATES**

**SECTION 601. PROVISIONS REGARDING MUNICIPAL BOND INSURANCE POLICY.** The following provisions relating to the Insured Series 2011B Certificates shall apply so long as the Municipal Bond Insurance Policy is in full force and effect.

(a) Any Supplemental Trust Agreement entered into pursuant to Section 11.01(j) of the Trust Agreement shall require the prior written consent of AGM.

(b) For purposes of Section 12.01 of the Trust Agreement, "Refunding Securities", as it relates to defeasance of the Insured Series 2011B Certificates, shall mean (i) direct non-callable obligations of the United States, (ii) evidences of ownership of proportionate interests in future interest and principal payments on such direct obligations held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and such underlying obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated or (iii) pre-refunded municipal obligations rated "AAA" and "Aaa" by S&P and Moody's, respectively (or any combination thereof) and shall be authorized to be used to effect defeasance of the Insured Series 2011B Certificates, unless AGM otherwise approves. In the event of an advance refunding of the Insured Series 2011B Certificates (A) the Board shall cause to be delivered to AGM and the Trustee, on the deposit date and upon any reinvestment of the defeasance amount, a report of an independent firm of nationally recognized certified public accountants verifying the sufficiency of the escrow established to pay the Insured Series 2011B Certificates in full on the maturity date, (B) the escrow agreement executed in connection with the defeasance of the Insured Series 2011B Certificates shall provide that no (1) substitution of a Refunding Security shall be permitted except with another Refunding Security and upon delivery of a new verification, and (2) reinvestment of a Refunding Security shall be permitted except as contemplated by the original verification or upon delivery of a new verification, and (C) there shall be delivered an opinion of nationally recognized bond counsel to the effect that the Certificates are no longer "Outstanding" under the Trust Agreement; each verification and defeasance opinion shall be addressed to the Board, the Trustee and AGM. In the event a forward purchase agreement will be employed in the refunding, such agreement shall be subject to the approval of AGM and shall be accompanied by such opinions of counsel as may be required by AGM. AGM shall be provided with final drafts of the above-referenced documentation not less than five business days prior to the funding of the escrow.

(c) AGM shall be provided by the Board with the following information:

- (i) Annual audited financial statements within 20 days of completion thereof and the Board's final budget within 30 days after the approval thereof by the Board;
  - (ii) On each July 15, a certificate of the Authorized Officer of the Board stating that, to the best of such individual's knowledge following reasonable inquiry, no Event of Default or Event of Non-Appropriation has occurred, or if an Event of Default has occurred, specifying the nature thereof, and, if the Board has a right to cure such Event of Default, stating in reasonable detail the steps, if any, being taken by the Board to cure such Event of Default by the Board;
  - (iii) Notice of any failure of the Board to make any required deposit into the Lease Payment Fund within two Business Days of the Trustee's knowledge thereof; notice of any other default or an Event of Non-Appropriation known to the Trustee within five Business Days after knowledge thereof, provided, however, that notice of Non-Appropriation shall be given immediately;
  - (iv) Notice of the advance refunding or prepayment, other than mandatory sinking fund prepayment, of any of the Insured Series 2011B Certificates, including the principal amount, maturities and CUSIP numbers thereof;
  - (v) Notice of the resignation or removal of the Trustee and the appointment of, and acceptance of duties by, any successor thereto; and
  - (vi) Such additional information as AGM from time to time may reasonably request.
- (d) AGM shall be provided with a full original transcript of all proceedings relating to the execution of any amendment or supplement to the Trust Agreement, the Ground Leases, the Assignment Agreement or the Lease Agreement.
- (e) All reports, notices and correspondence to be delivered pursuant to the Trust Agreement, this Series 2011B Supplemental Trust Agreement, the Lease Agreement, the Ground Leases and the Assignment Agreement shall also be delivered to AGM.
- (f) Claims upon the Municipal Bond Insurance Policy
- (i) If, on the third Business Day prior to the related Payment Date there is not on deposit with the Trustee after making all transfers and deposits required under the Trust Agreement and the Series 2011B Supplemental Trust Agreement, moneys sufficient to pay the principal of and interest in respect of the Insured Series 2011B Certificates due on such Payment Date, the Trustee shall give notice to AGM and to its designated agent (if any) (the "Insurer's Fiscal Agent") by telephone or telecopy of the amount of such deficiency by 12:00 noon, New York City time, on such Business

Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest in respect of the Insured Series 2011B Certificates due on such Payment Date, the Trustee shall make a claim under the Municipal Bond Insurance Policy and give notice to AGM and the Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest in respect of the Insured Series 2011B Certificates and the amount required to pay principal of the Insured Series 2011B Certificates, confirmed in writing to AGM and the Insurer's Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Municipal Bond Insurance Policy.

(ii) At the time of the execution and delivery of the Trust Agreement, and for the purposes of the Trust Agreement, the Trustee shall establish a separate special purpose trust account for the benefit of Owners of the Insured Series 2011B Certificates referred to herein as the "Policy Payments Account" and over which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under the Municipal Bond Insurance Policy in trust on behalf of the Insured Series 2011B Certificate Owners and shall deposit any amount paid under the Municipal Bond Insurance Policy in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Trustee to Owners in the same manner as principal and interest payments are to be made with respect to the Insured Series 2011B Certificates under the sections hereof regarding payment of Insured Series 2011B Certificates. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. However, the amount of any payment of principal of or interest in respect of the Insured Series 2011B Certificates to be paid from the Policy Payments Account shall be noted as provided in (iv) below. Funds held in the Policy Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee.

In the event the Insured Series 2011B Certificates are subject to mandatory sinking fund prepayment, upon receipt of the moneys due, affected Insured Series 2011B Certificate Owners shall surrender their Insured Series 2011B Certificates to the Trustee who shall authenticate and deliver to such Insured Series 2011B Certificate Owner a new Insured Series 2011B Certificate or Insured Series 2011B Certificates in an aggregate principal amount equal to the unredeemed portion of the Insured Series 2011B Certificate surrendered, and upon maturity or other advancement of maturity and receipt of the moneys due, Insured Series 2011B Certificate Owners shall surrender their Insured Series 2011B Certificates for

cancellation. The Trustee shall designate any portion of payment of principal on Insured Series 2011B Certificates paid by AGM, whether by virtue of mandatory sinking fund prepayment, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Insured Series 2011B Certificates registered to the then current Insured Series 2011B Certificate Owner, whether DTC or its nominee or otherwise, and shall issue a replacement Insured Series 2011B Certificate to AGM, registered in the name of AGM Assurance Inc., in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee's failure to so designate any payment or issue any replacement Insured Series 2011B Certificate shall have no effect on the amount of principal or interest payable by the Board on any Insured Series 2011B Certificate or the subrogation rights of AGM.

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

(iv) The Trustee shall keep a complete and accurate record of all funds deposited by AGM into the Policy Payments Account and the allocation of such funds to payment of interest on and principal paid in respect of any Insured Series 2011B Certificate. AGM shall have the right to inspect such records at reasonable times upon one Business Day's prior notice to the Trustee.

(v) Subject to and conditioned upon payment of any interest or principal with respect to the Insured Series 2011B Certificates by or on behalf of AGM, each Insured Series 2011B Certificate Owner, by its purchase of Insured Series 2011B Certificates, hereby assigns to AGM, but only to the extent of payments made by AGM with respect to such Certificates, all rights to the payment of interest or principal on the Insured Series 2011B Certificates, including, without limitation, any amounts due to the Insured Series 2011B Certificate Owners in respect of securities law violations arising from the offer and sale of the Insured Series 2011B Certificates, which are then due for payment. AGM may exercise any option, vote, right, power of the like with respect to Insured Series 2011B Certificates to the extent it has made a principal payment pursuant to the Municipal Bond Insurance Policy. The foregoing assignment is in addition to, and not in limitation of, rights of subrogation otherwise available to AGM in respect of such payments. The Trustee shall take such action and deliver such instruments as may be reasonably requested or required by AGM to effectuate the purpose or provisions of this paragraph (v). The Trustee agrees that AGM shall be subrogated to all of the rights to payment of the Owners of the Insured Series 2011B Certificates or in relation thereto to the extent that any payment of principal or interest was made to such Owners with payments made under the Municipal Bond Insurance Policy by AGM.

(vi) The Trustee shall promptly notify AGM of either of the following as to which it has actual knowledge: (A) the commencement of any proceeding by or against the Board or the Corporation commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding") and (B) the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer (a "Preference Claim") of any payment of principal of, or interest in respect of, the Insured Series 2011B Certificates. Each Owner, by its purchase of Insured Series 2011B Certificates, and the Trustee hereby agrees that AGM may at any time during the continuation of an Insolvency Proceeding direct all matters relating to such Insolvency Proceeding in respect of the Insured Series 2011B Certificates, including, without limitation, (1) all matters relating to any Preference Claim, (2) the direction of any appeal of any order relating to any Preference Claim and (3) the posting of any surety, supersedeas or performance bond pending any such appeal. In addition, and without limitation of the foregoing, AGM shall be subrogated to the rights of the Trustee (on behalf of the Owners) and each Owner in any Insolvency Proceeding to the extent it is subrogated pursuant to the Municipal Bond Insurance Policy, including, without limitation, any rights of any party to an adversary proceeding action with respect to any court order issued in connection with any such Insolvency Proceeding.

(vii) AGM shall, to the extent it makes any payment of principal of or interest in respect of the Insured Series 2011B Certificates, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Municipal Bond Insurance Policy.

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

(h) The rights granted under the Related Documents to AGM to request, consent to or direct any action are rights granted to AGM in consideration of its issuance of the Municipal Bond Insurance Policy. Any exercise by AGM of such rights is merely an exercise of AGM's contractual rights and shall not be construed or deemed to be taken for the benefit or on behalf of the Certificate Owners nor does such action evidence any position of AGM, positive or negative, as to whether Certificate Owner consent is required in addition to consent of AGM.

(i) To the extent permitted by law, the Board shall pay to AGM interest on any payments made by AGM (other than payments made by AGM pursuant to the Municipal Bond Insurance Policy which are paid to AGM pursuant to its rights of subrogation

thereunder) on behalf of, or advanced to, the Board including, without limitation, any amounts payable by the Board in connection with the Insured Series 2011B Certificates or the Lease Agreement. The Board also agrees to pay to AGM interest on any and all amounts as are paid under the Municipal Bond Insurance Policy and any and all amounts as are described above from the date paid by AGM until payment thereof in full at the Late Payment Rate. "Late Payment Rate" shall mean a per annum rate equal to the lower of (i) three percent above the interest rate that JPMorgan Chase Bank, N.A. ("Chase") publicly announces from time to time as its prime lending rate ("Prime Rate"), such interest rate to change on the effective date of each change in the announced Prime Rate and (ii) the maximum interest rate permitted to be paid by the Board under applicable law; provided that with respect to payments paid to and received by AGM pursuant to its subrogation rights under the Trust Agreement the amount of the Insured Series 2011B Certificates interest rate shall be subtracted from the Late Payment Rate. In the event Chase ceases to announce its Prime Rate, the Prime Rate shall be the prime rate of such national bank as AGM shall designate.

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

(k) In addition to any and all rights of reimbursement, subrogation and any other rights pursuant hereto or under law or in equity, the Board, to the extent permitted by law and only with respect to any obligations incurred prior to termination of the Lease Agreement (or during any holdover period and regardless of whether a claim therefor occurs after termination of the Lease), agrees to pay or reimburse AGM any and all charges, fees, costs, claims, losses, liabilities (including penalties), judgments, demands, damages, and expenses which AGM or its officers, directors, shareholders, employees, agents and each Person, if



any, who controls within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act may reasonably pay or incur, including, but not limited to, fees and expenses of attorneys, accountants, consultants and auditors and reasonable costs of investigations, of any nature in connection with, in respect of or relating to the transactions contemplated by the Related Documents by reason of:

(i) any omission or action (other than of or by AGM) in connection with the offering, issuance, sale, remarketing or delivery of the Insured Series 2011B Certificates;

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

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

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

(v) any untrue statement or alleged untrue statement of a material fact contained in any Offering Statement with respect to the Insured Series 2011B Certificates, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such claims arise out of or are based upon any untrue statement or omission in information included in an Offering Statement with respect to the Insured Series 2011B Certificates and furnished by AGM in writing expressly for use therein.

(l) Payments required to be made to AGM shall be payable solely from the Lease Payments and funds held under the Trust Agreement. Payments owing to AGM pursuant to Section 601(j) and (k) shall be considered Supplemental Rent under the Lease Agreement and shall be paid directly to AGM.

(m) Anything to the contrary notwithstanding, the provisions of this Section 601 shall terminate, and be of no further force and effect, and the Board shall have no further obligation thereunder for any obligations arising under the Trust Agreement or the Lease Agreement, upon and following the termination of the Lease Agreement as a result of an Event of Non-Appropriation.

(n) Amounts paid by AGM under the Credit Facility shall not be deemed paid for purposes of the Trust Agreement and the Insured Series 2011B Certificates to which such amounts relate shall remain Outstanding and continue to be due and owing until paid by the Board in accordance with the Trust Agreement. The Trust Agreement shall not be discharged unless all amounts due or to become due to AGM have been paid in full. Notwithstanding the foregoing, the Board shall not be obligated to pay any such amounts subsequent to an Event of Nonappropriation.

(o) The Related Documents shall not be amended without the prior written consent of AGM.

(p) AGM shall be entitled to pay principal or interest on the Insured Series 2011B Certificates that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Board (as such terms are defined in the Municipal Bond Insurance Policy) and any amounts due on the Insured Series 2011B Certificates as a result of acceleration of the maturity thereof in accordance with the Trust Agreement, whether or not AGM has received a Notice (as defined in the Municipal Bond Insurance Policy) of Nonpayment or a claim upon the Municipal Bond Insurance Policy.

(q) Any notices sent pursuant to the Related Documents shall be sent to AGM pursuant to Section 601(f) hereof.

(r) Any notices sent to AGM shall, until otherwise notified in writing by AGM, be sent to the following address:

Assured Guaranty Municipal Corp.  
31 West 52<sup>nd</sup> Street  
New York, New York 10019  
Attention: Managing Director - Surveillance  
Re: Policy No. 213306-N  
Telephone: (212) 826-0100  
Telecopier: (212) 339-3529

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

(s) No variable rate certificates, or derivative products which would result in variable rate exposure to the Board with respect to any Certificates, shall be issued, delivered or entered into by the Board without the prior written consent of AGM.

(t) The Corporation and the Board agree to not substitute a Building for any of the Buildings described as part of the Refinanced Projects in the Transaction Lease Schedules without the prior written consent of AGM. The Corporation and the Board, however, may add additional Buildings and Equipment to the Refunded Projects without the consent of AGM.

(u) AGM shall be deemed to be the sole holder of the Insured Series 2011B Certificates for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of the Insured Series 2011B Certificates are entitled to take pursuant to Article VIII (pertaining to defaults and remedies) and Article IX (pertaining to the Trustee) of the Trust Agreement. The Trustee shall take no action with respect to such Articles except with the consent, or at the direction, of AGM. The maturity of Insured Series 2011B Certificates shall not be accelerated without the consent of AGM.

(v) AGM is hereby deemed to be a third party beneficiary to the Trust Agreement.

**ARTICLE VII  
MISCELLANEOUS**

**SECTION 701. PROVISIONS OF TRUST AGREEMENT NOT OTHERWISE MODIFIED.** Except as expressly modified or amended hereby, the Trust Agreement shall remain in full force and effect. To the extent of any conflict between the terms of the Trust Agreement and this Series 2011B Supplemental Trust Agreement, the terms hereof shall control.

**SECTION 702. THIRD PARTY BENEFICIARIES.** Nothing in this Series 2011B Supplemental Trust Agreement, express or implied, is to or shall be construed to confer upon or to give to any person or party other than the Corporation, and its assignee, the Trustee, the Credit Enhancer and the Board any rights, remedies or claims under or by reason of this Series 2011B Supplemental Trust Agreement or any covenants, condition or stipulation hereof; and all covenants, stipulations, promises and agreements in this Series 2011B Supplemental Trust Agreement contained by or on behalf of the Corporation or the Board shall be for the sole and exclusive benefit of the Corporation, and its assignee, the Credit Enhancer and the Board. AGM shall be deemed a third party beneficiary of this Series 2011B Supplemental Trust Agreement.

**SECTION 703. COUNTERPARTS.** This Series 2011B Supplemental Trust Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**SECTION 704. HEADINGS.** Any heading preceding the text of the several Articles hereof, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Series 2011B Supplemental Trust Agreement, nor shall they affect its meaning, construction or effect.

**SECTION 705. LAWS.** This Series 2011B Supplemental Trust Agreement shall be construed and governed in accordance with the laws of the State.

**IN WITNESS WHEREOF**, the parties have executed this Series 2011B Supplemental Trust Agreement by their officers thereunto duly authorized as of the date and year first written above.

**U.S. BANK NATIONAL ASSOCIATION**, as  
successor Trustee

\_\_\_\_\_  
Assistant Vice President

**ST. LUCIE SCHOOL BOARD LEASING  
CORPORATION**, as Lessor

(SEAL)

ATTEST:

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

\_\_\_\_\_  
Secretary

**SCHOOL BOARD OF ST. LUCIE  
COUNTY, FLORIDA**, as Lessee

(SEAL)

ATTEST:

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

\_\_\_\_\_  
Secretary

**LETTER OF INSTRUCTIONS**

School Board of St. Lucie County, Florida  
Fort Pierce, Florida

U.S. Bank National Association  
Fort Lauderdale, Florida

St. Lucie School Board Leasing Corporation  
Fort Pierce, Florida

Re: \$\_\_\_\_\_ Refunding Certificates of Participation (School Board of St. Lucie County, Florida Master Lease Program, Series 2011B) 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 St. Lucie 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 2011B 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 2011B Certificates have been issued pursuant to a Trust Agreement, dated as of September 1, 1990, as amended and supplemented, including, in particular as supplemented by the Series 2011B Supplemental Trust Agreement, dated as of \_\_\_\_\_, 2011 (collectively, the "Trust Agreement"), among U.S. Bank National Association, as successor trustee (the "Trustee"), the St. Lucie School Board Leasing Corporation, a Florida not-for-profit corporation, as lessor (the "Corporation"), and the School Board of St. Lucie County, Florida, a school board of the State of Florida, as lessee (the "Board"). The Series 2011B Certificates represent undivided proportionate interests of the Owners of the Series 2011B Certificates in a portion of the Basic Rent Payments to be made under a Master Lease-Purchase Agreement, dated as of September 1, 1990, as amended and supplemented, in

particular as amended and supplemented by Fifth Amended and Restated Lease Schedule No. 1990A, Third Amended and Restated Lease Schedule No. 1995 and Third Amended and Restated Lease Schedule No. 2000, each dated as of \_\_\_\_\_, 2011, between the Corporation and the Board (collectively, the "Lease Agreement"). Pursuant to an Assignment Agreement, dated as of September 1, 1990, between the Corporation and the Trustee, the Corporation has assigned all of its rights, title and interest in and to the Lease Agreement (other than certain rights and obligations specifically excepted therein), including, without limitation, the right to receive the Basic Rent Payments, when due, to the Trustee for the benefit of the Owners of the Series 2011B 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 2011B 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 2011B 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 2011B Certificates or the Lease Payments or any other funds or take or omit to take any action that would cause the Series 2011B 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 2011B 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 2011B Certificates.

"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 2011B Certificates are discharged.

**"Gross Proceeds"** means, with respect to the Series 2011B Certificates:

- (1) Amounts constituting Sale Proceeds of the Series 2011B Certificates.
- (2) Amounts constituting Investment Proceeds of the Series 2011B Certificates.
- (3) Amounts constituting Transferred Proceeds of the Series 2011B Certificates.
- (4) Other amounts constituting Replacement Proceeds of the Series 2011B Certificates, including Pledged Moneys.

**"Investment Proceeds"** means any amounts actually or constructively received from investing proceeds of the Series 2011B Certificates.

**"Investment Property"** shall have the meaning as ascribed to such term in Section 148(b)(2) of the Code, which includes 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(e) of the Regulations.

**"Issue Date"** means \_\_\_\_\_, 2011.

**"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"** means any Investment Property in which Gross Proceeds are invested which is not an investment that is acquired to carry out the governmental purpose of the Series 2011B Certificates, e.g., obligations acquired with Gross Proceeds that are invested temporarily until needed for the governmental purpose of the Series 2011B Certificates, that are used to discharge a prior issue, or that are invested in a reasonably required reserve or replacement fund, as referenced in Section 1.148-1(b) of the Regulations.

**"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 2011B 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 2011B 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 Issuer treats as a Qualified Administrative Cost does not exceed the lesser of (a) \$36,000 (for calendar year 2011), or (b) the greater of (x) .2% of the "computational base", or (y) \$4,000; and (2) the Issuer does not treat as Qualified Administrative Costs more than \$101,000 (for calendar year 2011) 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 Issuer reasonably expects, as of the date the contract is acquired, to be deposited in the guaranteed investment contract over the term of the contract and for investments other than guaranteed investment contracts, "computational base" shall mean the amount of Gross Proceeds initially invested in such investments. The above-described safe harbor dollar amounts shall be increased each calendar year for cost-of-living adjustments pursuant to Section 1.148-5(e) of the Regulations.

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

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

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

**"Replacement Proceeds"** means amounts that have a sufficiently direct nexus to the Series 2011B Certificates or to the governmental purpose of the Series 2011B Certificates to conclude that the amounts would have been used for that governmental purpose if the Proceeds of the Series 2011B 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 2011B 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 2011B 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 2011B Certificate and that is described in Section 1.148-4(b)(4) of the Regulations.

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

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

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

**"Universal Cap"** means the value of all then outstanding Series 2011B Certificates.

**"Value" (of a Series 2011B Certificate)** means with respect to a Series 2011B 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 2011B Certificate, its present value.

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

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

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

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

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

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

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

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

**"Yield on the Series 2011B Certificates"** means, for all Computation Dates, the Yield expected as of the date hereof on the Series 2011B Certificates over the term of such Series 2011B Certificates computed by:

(1) using as the purchase price of the Series 2011B Certificates, the amount at which such Series 2011B 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 2011B 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 2011B 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 2011B Certificates.

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

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

(b) Within 30 days after any Computation Date, the Board must calculate or cause to be calculated the Rebatable Arbitrage or any penalty due pursuant to Section 3(d) below. The Board agrees to pay the Trustee the amount of the Rebatable Arbitrage for deposit to the Rebate Fund on or before the same must be remitted by the Trustee. Upon receipt of such Rebatable Arbitrage from the Board, but in no event later than 60 days following the Computation Date, the Trustee must remit (but only from amounts received from the Board) an amount which when added to the future value of previous rebate payments is not less than 90 percent (100 percent with respect to the Computation Date on the final repayment or retirement of the Series 2011B Certificates plus the income, if any, from the investment of the Rebatable Arbitrage due the United States Government after the final Computation Date) of the Rebatable Arbitrage.

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

(c) The obligation to pay Rebatable Arbitrage to the United States, as described in this letter, shall be treated as satisfied with respect to the Series 2011B Certificates if (i) Gross Proceeds are expended for the governmental purpose of the Series 2011B

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 2011B Certificates and (ii) the requirement to pay Rebatale Arbitrage, if any, to the United States with respect to the portion, if any, of the Reserve Account allocable to the Series 2011B 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 (meeting the requirements of Section 1.148-2(f) of the Regulations), (ii) amounts that, as of the Issue Date, are not reasonably expected to be Gross Proceeds but that become Gross Proceeds after the date which is six months after the Issue Date, (iii) amounts representing Sale or Investment Proceeds derived from any Purpose Investment (as defined in Section 1.148-1 of the Regulations) and earnings on those payments, and (iv) amounts representing any repayments of grants (as defined in Section 1.148-6(d)(4) of the Regulations). If Gross Proceeds are in fact expended by such date, then, except as to amounts, if any, on deposit in the Reserve Account, Rebatale Arbitrage with respect to such Gross Proceeds need not be calculated and no payment thereof to the United States Department of Treasury need be made. Use of Gross Proceeds to redeem Series 2011B Certificates shall not be treated as an expenditure of such Gross Proceeds.

Notwithstanding the foregoing, if Gross Proceeds which were reasonably expected to be Gross Proceeds on the Issue Date actually become available after the date which is six months after the Issue Date, as determined by the Board, then the requirements described herein relating to the calculation of Rebatale Arbitrage and the payment thereof to the United States must be satisfied, except that no such calculation or payment need be made with respect to the initial six-month period. Any other amounts not described in this Section which constitute Gross Proceeds, other than a bona fide debt service fund, will be subject to rebate.

**THE FOLLOWING PARAGRAPH (d) SHALL NOT APPLY TO THE SERIES 2011B CERTIFICATES**

(d) As an alternative to Section 3(c) above, the obligation of the Board to pay Rebatale Arbitrage to the United States, as described herein, shall be treated as satisfied with respect to the Series 2011B Certificates if the Gross Proceeds are expended for the governmental purposes of the issue within the periods set forth below:

- (i) at least 15% of such Gross Proceeds are spent within the six-month period beginning on the Issue Date;
- (ii) at least 60% of such Gross Proceeds are spent within the 1-year period beginning on the Issue Date; and

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

As set forth in Section 1.148-7(d)(2) of the Regulations, for purposes of the expenditure requirements set forth in this paragraph (d), 100% of the Gross Proceeds of the Series 2011B Certificates shall be treated as expended for the governmental purposes of the issue within the 18-month period beginning on the Issue Date if such requirement is met within the 30-month period beginning on the Issue Date and such requirement would have been met within such 18-month period but for a reasonable retainage (not exceeding 5% of the Net Proceeds of the Series 2011B Certificates). If Gross Proceeds are in fact expended by such dates, then Rebatable Arbitrage need not be calculated and no payment thereof to the United States Department of Treasury need be made. Any failure to satisfy the final spending requirement shall be disregarded if the Board exercises due diligence to complete the project financed by the Series 2011B Certificates and the amount of the failure does not exceed the lesser of (i) 3% of the issue price of the Series 2011B Certificates or (ii) \$250,000. Use of Gross Proceeds to redeem the Series 2011B Certificates shall not be treated as an expenditure of such Gross Proceeds. For purposes of this paragraph (d), "Gross Proceeds" shall be modified as described in paragraph (c) above.

**THE FOLLOWING PARAGRAPH (e) SHALL NOT APPLY TO THE SERIES 2011B CERTIFICATES**

(e) As an alternative to subsection (d) above, the obligation to pay Rebatable Arbitrage to the United States, as described in this letter, is treated as satisfied with respect to the Series 2011B Certificates if the "Available Construction Proceeds" (as defined in Section 148(f)(4)(C)(vi) of the Code) are expended for the governmental purposes of the issue within the periods set forth below:

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

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

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

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

For purposes of this Section 3(e), the term Available Construction Proceeds means the Net Proceeds of the construction issue, increased by earnings on the Net Proceeds, earnings on amounts in the Reserve Account to the extent that such amounts were not funded from

proceeds of the Series 2011B Certificates, and earnings on all of the foregoing earnings, and reduced by the amount, if any, of the Net Proceeds deposited to the Reserve Account and amounts used to pay issuance costs (including bond insurance premium).

As set forth in Section 148(f)(4)(C)(iii) of the Code, for purposes of the expenditure requirements set forth in this paragraph (e), 100% of the Available Construction Proceeds of the Series 2011B Certificates is treated as expended for the governmental purposes of the issue within the 2-year period beginning on the Issue Date if such requirement is met within the 3-year period beginning on the Issue Date and such requirement would have been met within such 2-year period but for a reasonable retainage (not exceeding 5% of the Available Construction Proceeds of the Series 2011B Certificates). Any failure to satisfy the final spending requirement shall be disregarded if the Board exercises due diligence to complete the project financed by the Series 2011B Certificates and the amount of the failure does not exceed the lesser of (i) 3% of the issue price of the Series 2011B Certificates or (ii) \$250,000.

For purposes of Section 148(f)(4)(C)(vii) of the Code, in the event the Board fails to meet the expenditure requirements referred to above, the Board does not elect to pay, in lieu of the Rebatale Arbitrage otherwise required to be paid with respect to such Gross Proceeds, a penalty with respect to the close of each 6-month period after the Issue Date equal to 1.5% of the amount of the Available Construction Proceeds of the Series 2011B Certificates which, as of the close of such period, are not spent as required by the expenditure provisions set forth above. The penalty referred to above shall cease to apply only after the Series 2011B Certificates (including any refunding obligations issued with respect thereto) are no longer outstanding. The Board does not elect the above-described penalty.

In order to qualify for the exemption from the obligation to pay Rebatale Arbitrage to the United States pursuant to this paragraph (e), at least 75% of the Available Construction Proceeds of the Series 2011B Certificates must be used for construction expenditures with respect to property which is owned by a governmental unit or an organization described in Section 501(c)(3) of the Code (subject in all respects to the provisions of Section 142(b)(1)(B) of the Code). The term "construction" includes reconstruction and rehabilitation of existing property. If only a portion of an issue is to be used for construction expenditures, such portion and such other portion of such issue may, at the election of the Board, be treated as a separate issue for purposes of this subsection (e) (although the remaining portion may not be entitled to the benefits of paragraph 3(d) hereof. The Board hereby elects not to treat any portion of the Series 2011B Certificates as a separate issue.

(f) The Board and the Trustee shall 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 2011B Certificates, including moneys derived from, pledged to, or to be used to make payments on the Series 2011B Certificates. Such records shall, at a minimum, be sufficient

to enable the Board to calculate the Rebatale Arbitrage and, if necessary, shall specify the account or fund to which each investment (or portion thereof) is to be allocated and shall set forth, in the case of each investment security, (i) its purchase price, (ii) identifying information, including par amount, coupon rate, and payment dates, (iii) the amount received at maturity or its sale price, as the case may be, including accrued interest, (iv) the amounts and dates of any payments made with respect thereto, and (v) the dates of acquisition and disposition or maturity.

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

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

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

(c) Safe harbor for establishing Fair Market Value for guaranteed investment contracts and Nonpurpose Investments purchased for a yield restricted defeasance escrow. In the case of a guaranteed investment contract or Nonpurpose Investments purchased for a yield restricted defeasance escrow, the purchase price shall not be considered to be an arm's-length price unless all the following conditions are met:

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

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

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



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

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

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

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

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

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

(1) The Board receives at least three bids from providers that the Board solicited under a Bona Fide Solicitation and that do not have a material financial interest in the issue. A lead underwriter in a negotiated underwriting transaction is deemed to have a material financial interest in the issue until 15 days after the issue date of the issue. In addition, any entity acting as a financial advisor with respect to the purchase of the investment at the time the bid specifications are forwarded to potential providers has a material financial interest in the issue. A provider that is a related party to a provider that has a material financial interest in the issue is deemed to have a material financial interest in the issue.

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

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

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

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

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

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

(B) The lowest cost bona fide bid (including any broker's fees) is not greater than the cost of the most efficient portfolio comprised exclusively of State and Local Government Series Securities from the United States Department of the Treasury, Bureau of Public Debt. The cost of the most efficient portfolio of State and Local Government Series Securities is to be determined at the time that bids are required to be submitted pursuant to the terms of the bid specifications. If such State and Local Government Series Securities are not available for purchase on the day that bids are required to be submitted because sales of those securities have been suspended, the cost comparison described in this paragraph is not required.

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

(d) The Board shall retain certificates and records documenting compliance with the above requirements until three years after the last outstanding Series 2011B Certificate is redeemed including, but not limited to, the following:

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

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

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

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

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

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

**5. Records.** The Board and the Trustee should retain all records with respect to the calculations required by this letter for at least six years after the date on which the last of the principal of and interest on the Series 2011B Certificates has been paid, whether upon maturity, redemption, or acceleration thereof.

**6. Modification Upon Receipt of Special Counsel Opinion.** Notwithstanding any provision of this letter, if the Board and the Trustee shall receive an opinion of Special Counsel that any specified instructions set forth in this letter are no longer required or that some further or different action is required to maintain or assure the exclusion from federal gross income of the Interest Component of the Basic Rent Payments, the Board and the Trustee may conclusively rely on such opinion in complying with the requirements of this letter and the instructions contained in this letter shall be deemed to be modified to that extent. The provisions of this and the instructions contained in this letter may be amended or modified in any manner which is necessary to comply with such regulations as may be promulgated by the United States Treasury Department from time to time.

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

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

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

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

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

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

Respectfully submitted,

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

Acknowledged:

**SCHOOL BOARD OF ST. LUCIE  
COUNTY, FLORIDA**

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Chairman

**ST. LUCIE SCHOOL BOARD  
LEASING CORPORATION**

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President

**U.S. BANK NATIONAL ASSOCIATION,  
as Trustee**

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Assistant Vice President

**ALLOCATION AND ACCOUNTING RULES**

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

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

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

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

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

methods that allocate payments and receipts in proportion to either (i) the average daily balances of the amounts in the commingled fund from each different source of funds during any consistent time period within its fiscal year, but at least quarterly (the "Fiscal Period"); or (ii) the average of the beginning and ending balances of the amounts in the commingled fund from each different source of funds for a Fiscal Period that does not exceed one month.

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

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

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

(g) Expenditure for Working Capital Purposes. Subject to certain exceptions, the Proceeds of an issue may only be allocated to "working capital expenditures" as of any date to the extent that those expenditures exceed "available amounts" as of that date (i.e., "proceeds-spent-last").

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

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

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