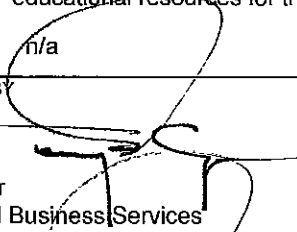
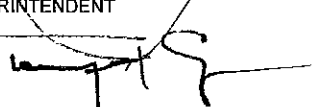


THE SCHOOL DISTRICT OF ESCAMBIA COUNTY Finance and Business Services		SCHOOL BOARD AGENDA EXECUTIVE SUMMARY	
AGENDA DATE: April 21, 2015		ITEM NUMBER: V. b. 2. A. 3.	
AGENDA REFERENCE: Resolution No. 2015-07 authorizing the issuance of Sales Tax Revenue Bonds, Series 2015		FISCAL IMPACT / AMOUNT: Not to exceed \$75,000,000	
FUND SOURCE: Discretionary Sales Surtax			
BACKGROUND INFORMATION / DESCRIPTION A one-half cent school capital outlay discretionary sales surtax levied and collected pursuant to Section 212.055(6), Florida Statutes (the "Discretionary Sales Surtax") was originally approved by a majority of the qualified electorate of Escambia County beginning January 1, 1998, and has been renewed for two additional periods, including the levy approved on September 5, 2006 and on November 4, 2014, such periods commencing January 1, 2008 through December 31, 2017 and commencing January 1, 2018 through December 31, 2027. The Resolution authorizes the issuance of not exceeding \$75,000,000 Sales Tax Revenue Bonds, Series 2015, secured primarily of the Discretionary Sales Surtax for the purpose of financing the acquisition, construction, and installation of certain capital improvements, retrofitting or technology implementation made within the District, and includes, in particular, the construction of a new middle school (approximately 1,206 student stations) and remodeling/renovation and repurposing of existing facilities closely related to the new middle school. Construction of the middle school is expected to begin approximately August 2016 and completion is expected in late spring and summer 2018. The Resolution delegates to the Chairman and the Superintendent the authority to determine, based on the advice of the Financial Advisor, the method of sale of the Series 2015 Bonds, and to award the sale of the Series 2015 Bonds to one or more underwriters or banks at favorable interest rates, all subject to and based upon the parameters set forth in the Resolution. The Resolution also approves the form of the following documents each of which will be finalized once the Series 2015 Bonds have been sold pursuant to the terms of the Resolution and prior to their execution and delivery by the Board: Exhibit A – Form of Preliminary Official Statement; Exhibit B – Form of Disclosure Dissemination Agent Agreement; and Exhibit C – Form of Series 2015 Purchase Agreement. Exhibits are approved by reference and are available for review upon request.			
EDUCATIONAL IMPACT			
OTHER REFERENCES OR NOTES			
ACTION REQUIRED Adoption of Resolution No. 2015-07 authorizing the issuance of Sales Tax Revenue Bonds, Series 2015			
STRATEGIC ALIGNMENT GOAL: F.1.: To increase fiscal efficiencies while maintaining good stewardship of the District's fiscal assets in order to provide better educational resources for the students of Escambia County OBJECTIVE: n/a			
REQUESTED BY  Terry St. Cyr Finance and Business Services		DATE April 8, 2015	
ASSISTANT SUPERINTENDENT  Terry St. Cyr Finance and Business Services		DATE April 8, 2015	DATE OF BOARD APPROVAL

THE SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA

SALES TAX REVENUE BOND RESOLUTION

ADOPTED APRIL 21, 2015

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RESOLUTION NO. 2015-07

A RESOLUTION OF THE SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA, AUTHORIZING THE ISSUANCE OF NOT EXCEEDING \$75,000,000 PRINCIPAL AMOUNT OF SALES TAX REVENUE BONDS, SERIES 2015 TO ACQUIRE, CONSTRUCT AND INSTALL CERTAIN CAPITAL PROJECTS; PROVIDING FOR THE PAYMENT OF SUCH BONDS FROM THE SCHOOL CAPITAL OUTLAY SURTAX ALLOCATED AND DISTRIBUTED TO THE SCHOOL BOARD PURSUANT TO CHAPTER 212, FLORIDA STATUTES; AUTHORIZING A COMPETITIVE BID AND APPROVING THE FORM OF THE OFFICIAL NOTICE OF SALE AND SUMMARY NOTICE OF SALE PERTAINING TO SUCH BONDS OR, IN THE ALTERNATIVE, A NEGOTIATED SALE OF SUCH BONDS; MAKING CERTAIN PROVISIONS AND DELEGATING CERTAIN RESPONSIBILITIES WITH RESPECT TO THE NOTICE, BIDDING AND SALE OF THE BONDS; AUTHORIZING THE USE AND DISTRIBUTION OF A PRELIMINARY AND FINAL OFFICIAL STATEMENT WITH RESPECT TO SUCH BONDS; APPOINTING A PAYING AGENT/REGISTRAR; APPROVING THE FORM OF A BOND PURCHASE AGREEMENT; PROVIDING FOR THE RIGHTS OF THE HOLDERS OF SUCH BONDS; PROVIDING FOR THE ISSUANCE OF ADDITIONAL BONDS FOR ADDITIONAL PURPOSES; AND PROVIDING FOR AN EFFECTIVE DATE FOR THIS RESOLUTION.

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

**ARTICLE I
GENERAL**

SECTION 1.1 DEFINITIONS. When used in the Resolution, the following terms shall have the following meanings, unless the context clearly otherwise requires:

"**Accreted Value**" shall mean, as of any date of computation with respect to any Capital Appreciation Bond, an amount equal to the principal amount of such Capital Appreciation Bond (the principal amount at its initial offering) plus the interest accrued on such Capital Appreciation Bond from the date of delivery to the original purchasers thereof to the Interest Date next preceding the date of computation or the date of computation if an Interest Date, such

interest to accrue at a rate not exceeding the legal rate, compounded semiannually, plus, with respect to matters related to the payment upon redemption or acceleration of the Capital Appreciation Bonds, if such date of computation shall not be an Interest Date, a portion of the difference between the Accreted Value as of the immediately preceding Interest Date and the Accreted Value as of the immediately succeeding Interest Date, calculated based on the assumption that Accreted Value accrues during any semi-annual period in equal daily amounts on the basis of a 360-day year.

"**Act**" shall mean Chapter 212, Florida Statutes, Chapter 1001, Florida Statutes, and other applicable provisions of law.

"**Additional Bonds**" shall mean the obligations (including, but not limited to, bond anticipation notes or other similar short term indebtedness) issued at any time under the provisions of Section 5.2 hereof on a parity with the Series 2015 Bonds.

"**Amortization Installment**" shall mean (A) with respect to the Series 2015 Bonds, the amounts designated in the final Series 2015 Purchase Agreement, or in the absence thereof, the Series 2015 Bonds, as Amortization Installments, and (B) with respect to any Additional Bonds, an amount designated as such by Supplemental Resolution of the Board and established with respect to the Additional Term Bonds.

"**Annual Debt Service**" shall mean, at any time, the aggregate amount in the then current Bond Year of (A) interest required to be paid on the Outstanding Bonds during such Bond Year, except to the extent that such interest is to be paid from deposits in the Interest Account or Project Fund made from Bond proceeds, (B) principal of Outstanding Serial Bonds maturing in such Bond Year, (C) the Amortization Installments with respect to such Bond Year, and (D) any amounts owing to the issuer of a Reserve Fund Insurance Policy or Reserve Fund Letter of Credit. For purposes of this definition, all amounts payable on a Capital Appreciation Bond shall be considered a principal payment due in the year of its maturity or date of redemption by Amortization Installment.

"**Assistant Superintendent**" shall mean the Assistant Superintendent, Business and Finance Services, or in the Assistant Superintendent's absence such other person as may be duly authorized to act on his or her behalf.

"**Authorized Board Officer**" shall mean the Superintendent, the Assistant Superintendent, or their designee(s), and when used in reference to any act or document also means any other person authorized by resolution of the Board to perform such act or sign such document.

"**Authorized Investments**" shall mean any of the following if and to the extent that the same are at the time legal for investment of funds of the Board:

- (A) cash (insured at all times by the Federal Deposit Insurance Corporation);

(B) obligations of, or obligations guaranteed as to principal and interest by, the United States of America or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States of America, including:

U.S. Treasury obligations (including State and Local Government Series):

- all direct or fully guaranteed obligations,
- Farmers Home Administration obligations,
- General Services Administration obligations,
- Guaranteed Title XI financing,
- Government National Mortgage Association (GNMA) obligations;

(C) obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:

- Export-Import Bank,
- Rural Economic Community Development Administration,
- U.S. Maritime Administration,
- Small Business Administration,
- U.S. Department of Housing & Urban Development (PHAs),
- Federal Housing Administration,
- Federal Financing Bank;

(D) direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:

- senior debt obligations issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC),
- obligations of this Resolution Funding Corporation (REFCORP),
- senior debt obligations of the Federal Home Loan Bank System,
- senior debt obligations of other government sponsored agencies approved by the Insurer;

(E) U.S. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of "P-1" by Moody's and "A-1" or "A-1+" by S&P and maturing not more than 360 calendar days after the date of purchase (ratings on holding companies are not considered as the rating on the bank);

(F) commercial paper which is rated at the time of purchase in the single highest classification, "P-1" by Moody's and "A-1+" by S&P and which matures not more than 270 calendar days after the date of purchase;

(G) investments in a money market fund rated "AAAm" or "AAAm-g" or better by S&P;

(H) pre-refunded Municipal Obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local government unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice, and

(1) which are rated, based on an irrevocable escrow account or fund (the "escrow"), in the highest rating category of Moody's or S&P or any successors thereto; or

(2) which are (i) fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in paragraph (B) above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate;

(I) municipal obligations rated "Aaa/AAA" or general obligations of states with a rating of "A2/A" or higher by both Moody's and S&P;

(J) the Local Government Surplus Funds Trust Fund – Florida PRIME created and established pursuant to Chapter 218, Part IV, Florida Statutes, as amended;

(K) investment agreements approved in writing by an Insurer, if any (supported by appropriate opinions of counsel);

(L) other forms of investments (including repurchase agreements) approved in writing by an Insurer, if any; and

(M) any other investments approved in writing by the Board.

"Board" shall mean The School Board of Escambia County, Florida as the governing body of the District.

"Bond Amortization Account" shall mean the separate account in the Debt Service Fund established pursuant to Section 4.4 hereof.

"Bond Counsel" shall mean an attorney at law or firm of attorneys, of nationally recognized standing in matters pertaining to the federal tax exemption of interest on obligations issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States of America.

"Bond Insurance Policy" shall mean the municipal bond new issue insurance policy or policies issued by an Insurer insuring or guaranteeing the scheduled payment of principal of and interest on any portion of any Series of Bonds when due as determined by Supplemental Resolution, if any.

"Bond Year" shall mean the period commencing on October 2 of each year and continuing through the next succeeding October 1.

"Bondholder" or **"Holder"** or **"holder"** or any similar term, when used with reference to a Bond or Bonds, shall mean any person who shall be the registered owner of any Outstanding Bond or Bonds as provided in the registration books of the Board.

"Bonds" shall mean, collectively, (A) the Series 2015 Bonds, (B) any Additional Bonds issued pursuant to the Resolution, and (C) any Subordinated Indebtedness which accedes to the status of Bonds pursuant to Section 5.4 hereof.

"Capital Appreciation Bonds" shall mean those Bonds so designated by Supplemental Resolution of the Board, which may be either Serial Bonds or Term Bonds and which shall bear interest payable at maturity or redemption. In the case of Capital Appreciation Bonds that are convertible to Bonds with interest payable prior to maturity or prior to redemption of such Bonds, such Bonds shall be considered Capital Appreciation Bonds only during the period of time prior to such conversion.

"Chairman" shall mean the Chairman of the Board or in the Chairman's absence, the Vice Chairman, and such other person as may be duly authorized to act on his or her behalf.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and the regulations and rules thereunder in effect or proposed.

"Cost", when used in connection with a Project, shall mean (A) the Board's cost of physical construction, retrofitting and providing for technology implementation, including hardware and software; (B) costs of acquisition by or for the Board of such Project; (C) costs of land and interests therein and the cost of the Board incidental to such acquisition including environmental site improvement and development and onsite and offsite infrastructure

improvements; (D) the cost of any indemnity and surety bonds and premiums for insurance during construction; (E) all interest due to be paid on the Bonds and other obligations relating to the Project during, and if deemed advisable by the Board for up to one year after the end of, the construction period of such Project; (F) engineering, architectural, legal and other consultant fees and expenses; (G) costs and expenses of the financing incurred during, and if deemed advisable by the Board for up to one year after the end of, the construction period for such Project, including audits, fees and expenses of any Paying Agent, Registrar, Credit Facility Provider or depository; (H) payments, when due (whether at the maturity of principal or the due date of interest or upon redemption) on any indebtedness of the Board (other than the Bonds) incurred for such Project; (I) costs of machinery, furniture, fixtures and equipment required by the Board for the commencement of operation of such Project; and (J) any other costs properly attributable to such construction or acquisition or to the issuance of the Bonds which finance such Project, as determined by generally accepted accounting principles and shall include reimbursement to the Board for any such items of Cost heretofore paid by the Board and any administrative costs allocated to such Project. Any Supplemental Resolution may provide for additional items to be included in the aforesaid Costs.

"Credit Facility" shall mean as to any particular Series of Bonds, a letter of credit, a line of credit or another credit or legal liquidity enhancement facility (other than an insurance policy issued by an Insurer), as approved in the Supplemental Resolution providing for the issuance of such Bonds.

"Credit Facility Provider" shall mean as to any particular Series of Bonds, the Person (other than an Insurer) providing the Credit Facility, for a particular Series of Bonds.

"Debt Service Fund" shall mean The School Board of Escambia County Sales Tax Revenue Bonds Debt Service Fund established pursuant to Section 4.4 hereof.

"District" shall mean the School District of Escambia County, Florida, a governmental authority created by Article IX, Section 4 of the Florida Constitution.

"Federal Securities" shall mean direct obligations of the United States of America and obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, none of which permit redemption prior to maturity at the option of the obligor. Federal Securities shall also include direct obligations of the Treasury which have been stripped by the Treasury itself, CATS, TIGRS and similar securities and the interest component of Resolution Funding Corp. (REFCORP) strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form.

"Financial Advisor" means Ford & Associates, Inc., as financial advisor to the School Board.

"**Fiscal Year**" shall mean the period commencing on July 1 of each year and continuing through the next succeeding June 30, or such other period as may be prescribed by law.

"**Fitch**" shall mean Fitch Ratings, and any assigns or successors thereto.

"**Insurer**" shall mean, with respect to any Series of Bonds, such Person issuing a Bond Insurance Policy.

"**Interest Account**" shall mean the separate account in the Debt Service Fund established pursuant to Section 4.4 hereof.

"**Interest Date**" or "**interest payment date**" shall (A) with respect to the Series 2015 Bonds, be such semi-annual dates as shall be provided in the final Series 2015 Bonds, and (B) with respect to any Additional Bonds, be such date or dates for the payment of interest on a Series of Bonds as shall be provided by Supplemental Resolution.

"**Maximum Annual Debt Service**" shall mean the largest aggregate amount of the Annual Debt Service becoming due in any Bond Year in which Bonds are Outstanding, excluding all Bond Years which shall have ended prior to the Bond Year in which the Maximum Annual Debt Service shall at any time be computed.

"**Maximum Interest Rate**" shall mean, with respect to any particular Variable Rate Bonds, a numerical rate of interest, which shall be set forth in the Supplemental Resolution of the Board delineating the details of such Bonds, that shall be the maximum rate of interest such Bonds may at any time bear in the future in accordance with the terms of such Supplemental Resolution.

"**Moody's**" or "**Moody's Investors Service**" shall mean Moody's Investors Services, Inc., and any assigns or successors thereto.

"**Outstanding**", when used with reference to Bonds and as of any particular date, shall describe all Bonds theretofore and thereupon being authenticated and delivered except, (A) any Bond in lieu of which another Bond or other Bonds have been issued under agreement to replace lost, mutilated or destroyed Bonds, (B) any Bond surrendered by the Holder thereof in exchange for another Bond or other Bonds under Sections 2.6, 2.7 and 2.8 hereof, (C) Bonds deemed to have been paid pursuant to Section 8.1 hereof, and (D) Bonds canceled after purchase in the open market or because of payment at or redemption prior to maturity.

"**Paying Agent**" shall mean for each Series of Bonds any paying agent for such Series of Bonds appointed by or pursuant to the Resolution and its successor or assigns, and any other Person which may at any time be substituted in its place pursuant to the Resolution.

"Person" shall mean an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization or governmental entity.

"Pledged Funds" shall mean (A) the Sales Tax Revenues and (B) until applied in accordance with the provisions of the Resolution, all moneys, including investments thereof, in the funds and accounts established hereunder except (i) for the Unrestricted Revenue Account and the Rebate Fund, and (ii) any moneys set aside in a particular subaccount of the Reserve Account if such moneys shall be pledged solely for the payment of a different Series of Bonds for which it was established.

"Principal Account" shall mean the separate account in the Debt Service Fund established pursuant to Section 4.4 hereof.

"Project" shall mean, collectively, (A) the Series 2015 Project, and (B) the acquisition, construction and installation of certain capital improvements, capital costs, retrofitting or technology implementation as may be financed by the Sales Tax Revenues pursuant to the Act. The description of each Project may be set forth in a Supplemental Resolution including the Supplemental Resolution authorizing the issuance of Bonds which shall finance the acquisition and construction of such Project.

"Project Fund" shall mean The School Board of Escambia County Sales Tax Revenue Bonds Project Fund established pursuant to Section 4.3 hereof.

"Rebate Fund" shall mean the Rebate Fund established pursuant to Section 4.4 hereof.

"Redemption Price" shall mean, with respect to any Bond or portion thereof, the principal amount or portion thereof, plus the applicable premium, if any, payable upon redemption thereof pursuant to such Bond or the Resolution.

"Refunding Securities" shall mean the Federal Securities and other investments approved in writing by the Insurer.

"Registrar" shall mean for each Series of Bonds any registrar for such Series of Bonds appointed by or pursuant to the Resolution and its successors and assigns, and any other Person which may at any time be substituted in its place pursuant to the Resolution.

"Reserve Account" shall mean the separate account in the Debt Service Fund established pursuant to Section 4.4 hereof.

"Reserve Account Requirement" shall mean, as of any date of calculation, an amount equal to the lesser of (A) Maximum Annual Debt Service for all Outstanding Bonds, (B) 125% of the average annual debt service for all Outstanding Bonds, or (C) 10% of the aggregate principal amount of Outstanding Bonds. In computing the Reserve Account Requirement in respect of

any Outstanding Bonds that constitute Variable Rate Bonds, the interest rate on such Bonds shall be assumed to be greater of (1) 110% of the daily average interest rate on such Variable Rate Bonds during the 12 months ending with the month preceding the date of calculation, or such shorter period of time that such Bonds shall have been Outstanding, or (2) the actual rate of interest borne by the Variable Rate Bonds on such date of calculation; provided, in no event shall the Reserve Account Requirement as adjusted on such date of calculation exceed the lesser of the amounts specified in the immediately preceding sentence. For the purpose of determining the Maximum Annual Debt Service with respect to Variable Rate Bonds Outstanding and then proposed to be issued, the interest rate on such bonds shall be deemed to be the greater of (1) the Revenue Bond Index published by *The Bond Buyer* plus 0.50%, or (2) the average interest rate for the prior 12 months (but shall not exceed the Maximum Interest Rate). In computing the Reserve Account Requirement in accordance with clause (C) of this definition in respect of any Capital Appreciation Bonds, the principal amount of such Bonds shall be the original principal amount thereof, not the Accreted Value. Notwithstanding the foregoing, the Board may establish by Supplemental Resolution a lower Reserve Account Requirement for a subaccount of the Reserve Account, which secures a Series of Bonds pursuant to Section 4.5(A)(4) hereof, which Series of Bonds shall not be secured by any other amounts in the Reserve Account.

"Reserve Fund Insurance Policy" shall mean an insurance policy or surety bond deposited in the Reserve Account in lieu of or in substitution for cash on deposit therein pursuant to Section 4.5(A)(4) hereof.

"Reserve Fund Letter of Credit" shall mean an unconditional irrevocable letter of credit or line of credit (other than a Reserve Fund Insurance Policy) deposited in the Reserve Account in lieu of or in substitution for cash on deposit therein pursuant to Section 4.5(A)(4) hereof.

"Resolution" shall mean this resolution, as the same may from time to time be amended, modified or supplemented by Supplemental Resolution.

"Restricted Revenue Account" shall mean the separate account in the Revenue Fund established pursuant to Section 4.4 hereof.

"Revenue Fund" shall mean The School Board of Escambia County Sales Tax Revenue Fund established pursuant to Section 4.4 hereof.

"Sales Tax Revenues" shall mean the proceeds received by the Board from the levy and collection of the one-half cent school capital outlay discretionary sales surtax pursuant to Section 212.055(6), Florida Statutes. Such term shall include for all purposes hereof proceeds of the portion of the communications services tax levied pursuant to Section 202.19(5), Florida Statutes.

"Secretary" shall mean the Superintendent.

"**Serial Bonds**" shall mean all of the Bonds other than the Term Bonds.

"**Series**" shall mean all the Bonds delivered on original issuance in a simultaneous transaction and identified pursuant to Sections 2.1 and 2.2 hereof or a Supplemental Resolution authorizing the issuance by the Board of such Bonds as a separate Series, regardless of variations in maturity, interest rate, amortization installments or other provisions.

"**Series 2015 Bonds**" shall mean The School Board of Escambia County, Florida Sales Tax Revenue Bonds, Series 2015, authorized pursuant to Section 2.2 hereof.

"**Series 2015 Project**" shall mean the acquisition, construction and installation of certain capital improvements, retrofitting or technology implementation made within the District, all or more particularly described in the plans and specifications on file or to be on file with the Board, as the same may be modified or amended from time to time.

"**Series 2015 Purchase Agreement**" shall mean, in the event the Series 2015 Bonds are sold at a negotiated and private sale, the bond purchase agreement to be executed between the Board and the Series 2015 Purchaser in accordance with Section 2.2(C) hereof setting forth the terms of the Series 2015 Bonds, the form of which is attached hereto as Exhibit C.

"**Series 2015 Purchaser**" shall mean the underwriters or other qualified lenders selected by the Superintendent pursuant to the authority delegated to him pursuant to Section 2.2(C) herein.

"**Standard & Poor's**" or "**S&P**" shall mean Standard and Poor's Ratings Services, a business of Standard & Poor's Financial Services LLC, and any assigns and successors thereto.

"**State**" shall mean the State of Florida.

"**Subordinated Indebtedness**" shall mean that indebtedness of the Board, subordinate and junior to the Bonds, issued in accordance with the provisions of Section 5.1 hereof and any Variable Rate Bonds which become Subordinated Indebtedness in accordance with Section 5.2 hereof.

"**Superintendent**" shall mean the Superintendent of Schools for the Board and the Ex-Officio Secretary to the Board.

"**Supplemental Resolution**" shall mean any resolution of the Board amending or supplementing the Resolution enacted and becoming effective in accordance with the terms of Sections 7.1, 7.2 and 7.3 hereof.

"Taxable Bond" shall mean any Bond which states, in the body thereof, that the interest income thereon is includable in the gross income of the Holder thereof for federal income taxation purposes or that such interest is subject to federal income taxation.

"Term Bonds" shall mean (A) with respect to the Series 2015 Bonds, the Series 2015 Bonds designated as Term Bonds in the Series 2015 Bonds, and (B) with respect to any Additional Bonds, those Bonds which shall be designated as Term Bonds hereby or by Supplemental Resolution of the Board and which are subject to mandatory redemption by Amortization Installment.

"Unrestricted Revenue Account" shall mean the separate account in the Revenue Fund established pursuant to Section 4.4 hereof.

"Variable Rate Bonds" shall mean Bonds issued from time to time with a variable, adjustable, convertible or other similar rate which is not fixed in percentage for the entire term thereof at the date of issue.

The terms "herein," "hereunder," "hereby," "hereto," "hereof," and any similar terms, shall refer to the Resolution; the term "heretofore" shall mean before the date of adoption of the Resolution; and the term "hereafter" shall mean after the date of adoption of the Resolution.

Words importing the masculine gender include every other gender. Words importing the singular number include the plural number, and vice versa.

SECTION 1.2 AUTHORITY FOR RESOLUTION. The Resolution is adopted pursuant to the provisions of the Act.

SECTION 1.3 RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the purchase and acceptance of any or all of the Bonds by those who shall hold the same from time to time, the provisions of the Resolution shall be a part of the contract of the Board with the Holders of the Bonds and any Credit Facility Provider and Insurer and shall be deemed to be and shall constitute a contract between the Board and the Holders from time to time of the Bonds and any Credit Facility Provider and Insurer. The pledge made in the Resolution and the provisions, covenants and agreements herein set forth to be performed by or on behalf of the Board shall be for the equal benefit, protection and security of the Holders of any and all of the Bonds and for the benefit, protection and security of any Credit Facility Provider and Insurer. All of the Bonds, regardless of the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof except as expressly provided in or pursuant to the Resolution.

SECTION 1.4 FINDINGS. It is hereby ascertained, determined and declared that:

(A) Pursuant to the Act, the Board is authorized to pledge the Sales Tax Revenues to pay the principal of, premium, if any, and interest on the Bonds.

(B) Pursuant to a resolution of the Board adopted on June 13, 2006, the Board levied a one-half percent (0.5%) discretionary sales surtax authorized by Section 212.055(6), Florida Statutes, effective January 1, 2008, and expiring on December 31, 2017. Pursuant to a resolution of the Board adopted on January 21, 2014, the Board extended such levy of the one-half percent (0.5%) discretionary sales surtax, effective January 1, 2018, and expiring on December 31, 2027.

(C) Such levies were approved by the electors of Escambia County, Florida on September 5, 2006, and November 4, 2014, respectively.

(D) The Series 2015 Project constitutes authorized expenditures within the meaning of Section 212.055(6), Florida Statutes.

(E) The Board finds it necessary and in its best interest to acquire, construct and equip the Series 2015 Project and to provide for the financing of the Series 2015 Project through the issuance of the Series 2015 Bonds secured by a lien on the Sales Tax Revenues.

(F) The Pledged Funds are estimated to be sufficient to pay the principal of, premium, if any, and interest on the Series 2015 Bonds to be issued pursuant to the Resolution, as the same become due, and all other payments provided for in the Resolution.

(G) It is in the best interest of the public and the Board to provide for the sale by competitive bid of the Series 2015 Bonds, maturing and bearing interest and having such other terms as set forth herein and in the Summary Notice of Sale and Official Notice of Sale, as each is described herein, and the bid proposal of the lowest bidder or bidders selected on a subsequent date pursuant to the terms hereof.

(H) If, prior to conducting the competitive sale, the Board receives a commitment that satisfies the requirements of Section 2.2(C)(3) hereof to purchase the Series 2015 Bonds (the "Commitment"), and due to the willingness of the underwriter or qualified lender to purchase the Series 2015 Bonds at a favorable interest rate, it is hereby determined that it is in the best interest of the public and the Board to sell the Series 2015 Bonds at a negotiated and private sale.

(I) Because the Board desires to sell the Series 2015 Bonds at the most advantageous time, the Board hereby delegates to the Chairman and the Superintendent the authority to determine, based on the advice of the Financial Advisor, the method of sale of the Series 2015 Bonds, and to award the sale of the Series 2015 Bonds to the best underwriter or qualified lender each based upon the parameters set forth herein, subject to the provisions of Section 2.2(C) hereof.

(J) The principal of, premium, if any, and interest on the Bonds to be issued pursuant to the Resolution, and all other payments provided for in the Resolution will be paid solely from the Pledged Funds, and the ad valorem taxing power of the Board will never be necessary or authorized to pay the principal of, premium, if any, and interest on the Bonds to be issued pursuant to the Resolution and, except as otherwise provided herein, the Bonds shall not constitute a lien upon any property of the Board.

ARTICLE II
AUTHORIZATION, TERMS, EXECUTION AND
REGISTRATION OF BONDS

SECTION 2.1 AUTHORIZATION OF BONDS. The Resolution creates an issue of Bonds of the Board to be designated as "The School Board of Escambia County, Florida, Sales Tax Revenue Bonds" which may be issued in one or more Series as hereinafter provided. The aggregate principal amount of the Bonds which may be executed and delivered under the Resolution is not limited except as is or may hereafter be provided in the Resolution or as limited by the Act or by law.

The Bonds may, if and when authorized by the Board pursuant to the Resolution, be issued in one or more Series, with such further appropriate particular designations added to or incorporated in such title for the Bonds of any particular Series as the Board may determine and as may be necessary to distinguish such Bonds from the Bonds of any other Series. Each Bond shall bear upon its face the designation so determined for the Series to which it belongs.

The Bonds shall be issued for such purpose or purposes; shall bear interest at such rate or rates not exceeding the maximum rate permitted by law; and shall be payable in lawful money of the United States of America on such dates; all as determined by Supplemental Resolution of the Board, and, in the case of the Series 2015 Bonds, by Section 2.2 hereof.

The Bonds shall be issued in such denominations and such form, whether coupon or registered; shall be dated such date; shall bear such numbers; shall be payable at such place or places; shall contain such redemption provisions; shall have such Paying Agents and Registrars; shall mature in such years and amounts; and the proceeds shall be used in such manner; all as determined by Supplemental Resolution of the Board, and, in the case of the Series 2015 Bonds, by Section 2.2 hereof. The Board may issue Bonds which may be secured by a Credit Facility or by a Bond Insurance Policy of an Insurer, all as determined by Supplemental Resolution of the Board, and, in the case of the Series 2015 Bonds, by Section 2.2 hereof.

Notwithstanding any other provisions of this Section, the Board may, at its option, prior to the date of issuance of any Bonds, elect to use an immobilization system or pure book-entry system with respect to issuance of the Bonds, provided adequate records will be kept with respect to the ownership of Bonds issued in book-entry form or the beneficial ownership of Bonds issued in the name of a nominee. As long as any Bonds are outstanding in book-entry

form, the provisions of Sections 2.4 and 2.8 of the Resolution shall not be applicable to such book-entry Bonds. The details of any alternative system of Bonds issuance, as described in this paragraph, shall be set forth in a resolution of the Board duly adopted at or prior to the sale of any of the Bonds.

**SECTION 2.2 AUTHORIZATION AND DESCRIPTION OF SERIES 2015 BONDS;
DELEGATION OF AUTHORITY TO APPROVE TERMS OF THE BONDS AND AWARD
THE SALE OF THE BONDS.**

(A) A Series of Bonds entitled to the benefit, protection and security of the Resolution is hereby authorized in the aggregate principal amount of not exceeding \$75,000,000 for the principal purpose of acquiring, installing and constructing the Series 2015 Project, and paying the costs of issuance incurred with respect to the Series 2015 Bonds. Such Series of Bonds shall be designated as, and shall be distinguished from the Bonds of all other Series by the title, "The School Board of Escambia County, Florida, Sales Tax Revenue Bonds, Series 2015"; provided the Board may change such designation in the event that the total amount of the Series 2015 Bonds authorized herein is not issued in a simultaneous transaction or the Series 2015 Bonds are not issued in calendar year 2015.

The Series 2015 Bonds shall be dated such date as determined by the Chairman and Superintendent in accordance with Section 2.2(C) hereof; shall be issued as fully registered bonds in denominations of \$5,000 and integral multiples thereof, shall be numbered consecutively from one upward in order of maturity. The exact principal amount of the Series 2015 Bonds to be issued shall be determined by the Chairman and the Superintendent in accordance with the Section 2.2(C) hereof, provided such aggregate principal amount does not exceed \$75,000,000. The Series 2015 Bonds shall be payable semi-annually, as established in the final Series 2015 Bonds. The Series 2015 Bonds shall bear interest at such rates and yields, shall finally mature no later than December 1, 2027, and shall have such redemption provisions as determined by the Chairman and Superintendent subject to the conditions set forth in Section 2.2(C) hereof.

The principal of or Redemption Price, if applicable, on the Series 2015 Bonds is payable upon presentation and surrender of the Series 2015 Bonds at the designated corporate trust office of the Paying Agent. Interest payable on the Series 2015 Bonds on any Interest Date will be paid by check or draft to the Holder in whose name such Bond shall be registered at the close of business on the date which shall be the fifteenth day (whether or not a business day) next preceding such Interest Date, or, unless otherwise provided by Supplemental Resolution, at the option of the Paying Agent, and at the request and expense of such Holder, by bank wire transfer for the account of such Holder. All payments of principal of or Redemption Price, if applicable, and interest on the Series 2015 Bonds shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

(B) The Board elects to use an immobilization system or pure book-entry system with respect to issuance of the Series 2015 Bonds, provided adequate records will be kept with respect to the ownership of Series 2015 Bonds issued in book-entry form or the beneficial ownership of Series 2015 Bonds issued in the name of a nominee. The Series 2015 Bonds shall be initially issued in the form of a separate single certificated fully registered Series 2015 Bond for each of the maturities of the Series 2015 Bonds. Upon initial issuance, the ownership of each such Series 2015 Bond shall be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). Except as provided in this Section 2.2, all of the Outstanding Series 2015 Bonds shall be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC. As long as the Series 2015 Bonds shall be registered in the name of Cede & Co., all payments of principal on the Series 2015 Bonds shall be made by the Paying Agent by check or draft or by wire transfer to Cede & Co., as Holder of the Series 2015 Bonds.

With respect to Series 2015 Bonds registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, the Board, the Registrar and the Paying Agent shall have no responsibility or obligation to any participant in the DTC book-entry program (a "Participant") or to any indirect participant. Without limiting the immediately preceding sentence, the Board, the Registrar and the Paying Agent shall have no responsibility or obligation with respect to (1) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest on the Series 2015 Bonds, (2) the delivery to any Participant or any other Person other than a Bondholder, as shown in the registration books kept by the Registrar, of any notice with respect to the Series 2015 Bonds, including any notice of redemption, or (3) the payment to any Participant or any other Person, other than a Bondholder, as shown in the registration books kept by the Registrar, of any amount with respect to principal of, redemption premium, if any, or interest on the Series 2015 Bonds. The Board, the Registrar and the Paying Agent may treat and consider the Person in whose name each Series 2015 Bond is registered in the registration books kept by the Registrar as the Holder and absolute owner of such Series 2015 Bond for the purpose of payment of principal, redemption premium, if any, and interest with respect to such Series 2015 Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2015 Bond, for the purpose of registering transfers with respect to such Series 2015 Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, redemption premium, if any, and interest on the Series 2015 Bonds only to or upon the order of the respective Holders, as shown in the registration books kept by the Registrar, 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, redemption premium, if any, and interest on the Series 2015 Bonds 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 Registrar, shall receive a certificated Series 2015 Bond evidencing the obligation of the Board to make payments of principal, redemption 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 herein with respect to transfers during the fifteen (15) days next preceding any interest payment date or mailing of notice of redemption, the words "Cede & Co." in the Resolution 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 Registrar and the Paying Agent.

Upon (1) 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 2015 Bonds be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, is not in the best interest of the beneficial owners of the Series 2015 Bonds 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 (2) determination by the Board that such book-entry only system is burdensome to the Board, the Series 2015 Bonds shall no longer be restricted to being registered in the registration books kept by the Registrar 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 Registrar shall authenticate, transfer and exchange Series 2015 Bonds of like principal amount and maturity, in denominations of \$5,000 or any integral multiple thereof to the Holders thereof. The foregoing notwithstanding, until such time as participation in the book-entry only system is discontinued, the provisions set forth in the letter of representations executed by the Board and the Registrar and delivered to DTC in order to induce DTC to act as securities depository for the Series 2015 Bonds shall apply to the payment of principal of and interest on the Series 2015 Bonds. As long as any Series 2015 Bonds are outstanding in book-entry form, the provisions of Section 2.8 of the Resolution related to exchange and transfer of the Series 2015 Bonds shall not be applicable to such book-entry Series 2015 Bonds.

(C) (1) Subject to full satisfaction of the conditions set forth in this Section 2.2(C), the Board hereby delegates to the Chairman and the Superintendent the authority to determine the terms of the Series 2015 Bonds, including (i) the dated date, (ii) the principal amount and whether such Series 2015 Bonds are issued as Serial Bonds or Term Bonds, (iii) the maturity dates and amounts, (iv) the interest rates, prices, yields and interest payment dates, (v) the optional redemption features, if any, (vi) the Amortization Installments and other mandatory redemption features, if any, (vii) the sale date and the delivery date, (viii) the application of the proceeds of the Series 2015 Bonds, and (ix) all other details of the Series 2015 Bonds, and to take such further action as shall be required for carrying out the purposes of the Resolution.

(2) The Board hereby delegates to the Chairman and Superintendent the authority to approve the forms of the Summary Notice of Sale (the "Summary Notice of Sale") and the Official Notice of Sale (the "Official Notice of Sale"). The Board hereby authorizes the newspaper publication of the Summary Notice of Sale pursuant to the requirements of law, and the distribution of the Official Notice of Sale based on the advice of the Financial Advisor. The award of the sale of the Series 2015 Bonds by the

Chairman and the Superintendent to the best bidder or bidders by competitive sale is subject to satisfaction of the following criteria: (i) all applicable disclosure information required by Section 218.385, Florida Statutes, is provided by the best bidder or bidders, (ii) the aggregate principal amount of the Series 2015 Bonds does not exceed \$75,000,000, and (iii) the final maturity of the Series 2015 Bonds is not later than December 1, 2027. In accordance with the provisions of the Official Notice of Sale, the Superintendent may, in his or her sole discretion, reject any and all bids. All of the terms of the Series 2015 Bonds will be included in a certificate to be executed by the Superintendent following the award of the Series 2015 Bonds and shall be set forth in the final Official Statement, as authorized herein.

(3) In the event that the Superintendent receives a Commitment prior to conducting the competitive sale authorized herein, authority is hereby delegated to him to accept the Commitment if the following requirements are satisfied: (i) the aggregate principal amount of the Series 2015 Bonds may not exceed \$75,000,000 and the final maturity date is no later than December 1, 2027, (ii) a true interest cost not exceeding an amount equal to 3.50%, (iii) an underwriting discount (including management fee and all expenses) not in excess of \$5.00 per thousand par value, and (iv) such negotiated sale is recommended by the Financial Advisor. In such event, due to the willingness of the underwriter or qualified lender to purchase the Series 2015 Bonds at a favorable interest rate, it is hereby determined that it is in the best interest of the public and the Board to sell the Series 2015 Bonds at a negotiated and private sale, and such sale is hereby authorized and approved. Such sale shall be to one or more purchaser approved by the Chairman and the Superintendent in accordance with the terms of the Series 2015 Purchase Agreement to be dated the date of sale and to be substantially in the form attached hereto as Exhibit C, with such changes, amendments, modifications, omissions and additions thereto as shall be approved by the Chairman and the Superintendent in accordance with the provisions of this Section 2.2(C), the execution thereof being deemed conclusive evidence of the approval of such changes and the full and complete satisfaction of the conditions set forth in this Section 2.2(C). The selected Series 2015 Purchaser must be recommended by the Financial Advisor. The Series 2015 Purchase Agreement shall not be executed by the Chairman until such time as all of the foregoing conditions have been satisfied. In the event the bonds are sold to a qualified lender that is not an underwriter, execution and delivery of the Series 2015 Purchase Agreement and the Official Statement (as defined below) shall not be required.

(4) All actions of the Chairman, the Superintendent and the Assistant Superintendent taken pursuant to the authority delegated pursuant to this Section 2.2(C) shall be evidenced by execution of acceptance of a winning bid or the Series 2015 Purchase Agreement which shall constitute complete evidence of the actions of the Chairman, the Superintendent and the Assistant Superintendent and shall constitute the action of the Board.

(D) The Board hereby approves the form and content of the Preliminary Official Statement for the Series 2015 Bonds which is attached hereto as Exhibit A. The Chairman and the Superintendent are hereby authorized to execute on behalf of the Board, the final Official Statement relating to the Series 2015 Bonds (the "Official Statement") with such changes, insertions, omissions and filling of blanks in the Preliminary Official Statement as may be approved by the Chairman and the Superintendent, execution thereof to be conclusive evidence of such approval. Such Preliminary Official Statement and final Official Statement are hereby authorized to be used and distributed in connection with the marketing and sale of the Series 2015 Bonds. The Chairman is authorized to deem final the Preliminary Official Statement for purposes of Rule 15c2-12 (the "Rule") of the Securities and Exchange Commission.

(E) The Board is hereby authorized to insure all, some or none of the Series 2015 Bonds (the "Insured Bonds"), whichever is determined by the Superintendent to be in the Board's best interests based on the advice of the Financial Advisor, and further authorizes the Chairman and the Superintendent to take any actions and do all things necessary in order to accept such policy in connection with the issuance of the Series 2015 Bonds and enter an Insurance Agreement related thereto.

(F) The Board hereby determines that the Reserve Account Requirement applicable to the Series 2015 Bonds shall be zero; provided, however, that the Reserve Account Requirement may be increased to an amount not exceeding an amount permitted by the definition of Reserve Account Requirement in the Resolution upon the advice of the Financial Advisor as finally established at the time of marketing the Series 2015 Bonds. If deemed by the Board to be in its best interests, based on financial advice of the Financial Advisor, the Board is authorized to purchase a Reserve Fund Insurance Policy for deposit in the Reserve Account and enter an Insurance Agreement related thereto.

(G) The Board hereby covenants and agrees that, in order to assist the Series 2015 Purchaser in complying with the continuing disclosure requirements of the Rule with respect to the Series 2015 Bonds, it will comply with and carry out all of the provisions of the Disclosure Dissemination Agent Agreement to be executed by the Board prior to the time the Board delivers the Series 2015 Bonds to the Series 2015 Purchaser (the "Disclosure Agreement"), as may be amended from time to time in accordance with the terms thereof. The form of the Disclosure Agreement, attached hereto as Exhibit B, is hereby approved and ratified, with such changes, amendments, modifications, omissions and additions as shall be approved by the Chairman who is hereby authorized to execute and deliver such Disclosure Agreement. Notwithstanding any other provision of the Resolution, failure of the Board to comply with such Disclosure Agreement shall not be considered an Event of Default under the Resolution. Any rights of the Bondholders to enforce the provisions of the Disclosure Agreement shall be limited to a right to obtain specific performance of the Board's obligations thereunder.

(H) The Chairman and the Superintendent are hereby authorized to select the Paying Agent and Registrar for the Series 2015 Bonds that would be acceptable to the Series 2015

Purchaser of the Series 2015 Bonds on the advice of the Board's Financial Advisor and to enter into any agreement which may be necessary to effect the transactions contemplated by this Section.

(I) The law firm of Bryant Miller Olive P.A. is hereby appointed as Bond Counsel and Disclosure Counsel to the Board with respect to the issuance of the Series 2015 Bonds. The Chairman is authorized to enter into any agreement which may be necessary to effectuate such representation which agreement shall contain terms and provisions acceptable to the Counsel to the Board and the Assistant Superintendent.

SECTION 2.3 APPLICATION OF SERIES 2015 BOND PROCEEDS. Except as otherwise provided by Supplemental Resolution of the Board, the proceeds derived from the sale of the Series 2015 Bonds, including accrued interest and premium, if any, shall, simultaneously with the delivery of the Series 2015 Bonds to the Series 2015 Purchaser, be applied by the Board as follows:

(A) accrued interest and any capitalized interest shall be deposited in the Interest Account and shall be used only for the purpose of paying the interest which shall thereafter become due on the Series 2015 Bonds;

(B) a sufficient amount of the Series 2015 Bond proceeds shall be applied to the payment of the premiums of the Bond Insurance Policy and the Reserve Fund Insurance Policy applicable to the Series 2015 Bonds, if any, and to the payment of costs and expenses relating to the issuance of the Series 2015 Bonds. Such amount or any portion thereof may, at the option of the Board, be deposited in and disbursed from the Project Fund; and

(C) the balance of the Series 2015 Bond proceeds shall be deposited in the Project Fund.

SECTION 2.4 EXECUTION OF BONDS. The Bonds shall be executed in the name of the Board with the manual or facsimile signature of the Chairman and the official seal of the Board shall be imprinted thereon, attested and countersigned with the manual or facsimile signature of the Superintendent. In case any one or more of the officers who shall have signed or sealed any of the Bonds or whose facsimile signature shall appear thereon shall cease to be such officer of the Board before the Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bond may be signed and sealed on behalf of the Board by such person who at the actual time of the execution of such Bond shall hold the proper office of the Board, although at the date of such Bond such person may not have held such office or may not have been so authorized. The Board may adopt and use for such purposes the facsimile signatures of any such persons who shall have held such offices at any time after the date of the adoption of the Resolution,

notwithstanding that either or both shall have ceased to hold such office at the time the Bonds shall be actually sold and delivered.

SECTION 2.5 AUTHENTICATION. No Bond of any Series shall be secured hereunder or entitled to the benefit hereof or shall be valid or obligatory for any purpose unless there shall be manually endorsed on such Bond a certificate of authentication by the Registrar or such other entity as may be approved by the Board for such purpose. Such certificate on any Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under the Resolution. The form of such certificate shall be substantially in the form provided in Section 2.9 hereof.

SECTION 2.6 TEMPORARY BONDS. Until the definitive Bonds of any Series are prepared, the Board may execute, in the same manner as is provided in Section 2.4 hereof, and deliver, upon authentication by the Registrar pursuant to Section 2.5 hereof, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds, except as to the denominations thereof, one or more temporary Bonds substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, in denominations authorized by the Board by subsequent resolution, and with such omissions, insertions and variations as may be appropriate to temporary Bonds. The Board, at its own expense, shall prepare and execute definitive Bonds, which shall be authenticated by the Registrar. Upon the surrender of such temporary Bonds for exchange, the Registrar, without charge to the Holder thereof, shall deliver in exchange therefor definitive Bonds, of the same aggregate principal amount and Series and maturity as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds issued pursuant to the Resolution. All temporary Bonds surrendered in exchange for another temporary Bond or Bonds or for a definitive Bond or Bonds shall be forthwith cancelled by the Registrar.

SECTION 2.7 BONDS MUTILATED, DESTROYED, STOLEN OR LOST. In case any Bond shall become mutilated, or be destroyed, stolen or lost, the Board may, in its discretion, issue and deliver, and the Registrar shall authenticate, a new Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder furnishing the Board and the Registrar proof of his ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Board or the Registrar may prescribe and paying such expenses as the Board and the Registrar may incur. All Bonds so surrendered or otherwise substituted shall be cancelled by the Registrar. If any of the Bonds shall have matured or be about to mature, instead of issuing a substitute Bond, the Board may pay the same or cause the Bond to be paid, upon being indemnified as aforesaid, and if such Bonds be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Bonds issued pursuant to this Section 2.7 shall constitute original, additional contractual obligations on the part of the Board whether or not the lost, stolen or destroyed Bond be at any time found by anyone, and such duplicate Bond shall be entitled to equal and proportionate benefits and rights as to lien on the Pledged Funds to the same extent as all other Bonds issued hereunder.

SECTION 2.8 INTERCHANGEABILITY, NEGOTIABILITY AND TRANSFER. The Bonds, upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the Holder thereof or his attorney duly authorized in writing, may, at the option of the Holder thereof, be exchanged for an equal aggregate principal amount of registered Bonds of the same Series and maturity of any other authorized denominations.

The Bonds issued under the Resolution shall be and have all the qualities and incidents of negotiable instruments under the law merchant and the Uniform Commercial Code of the State, subject to the provisions for registration and transfer contained in the Resolution and in the Bonds. So long as any of the Bonds shall remain Outstanding, the Board shall maintain and keep, at the office of the Registrar, books for the registration and transfer of the Bonds.

The transfer of any Bond shall be registered only upon the books of the Board, at the office of the Registrar, under such reasonable regulations as the Board may prescribe, by the Holder thereof in person or by his attorney duly authorized in writing upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed and guaranteed by the Holder or his duly authorized attorney. Upon the registration or transfer of any such Bond, the Board shall issue, and cause to be authenticated, in the name of the transferee a new Bond or Bonds of the same aggregate principal amount, Series and maturity as the surrendered Bond. The Board, the Registrar and any Paying Agent or fiduciary of the Board may deem and treat the Person in whose name any Outstanding Bond shall be registered upon the books of the Board as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price, if applicable, and interest on such Bond and for all other purposes, and all such payments so made to any such Holder or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid and neither the Board nor the Registrar nor any Paying Agent or other fiduciary of the Board shall be affected by any notice to the contrary.

The Registrar, in any case where it is not also the Paying Agent in respect to any Series of Bonds, forthwith (A) following the 15th day prior to an interest payment date for such Series; (B) following the 15th day next preceding the date of first mailing of notice of redemption of any Bonds of such Series; and (C) at any other time as reasonably requested by the Paying Agent of such Series, certify and furnish to such Paying Agent the names, addresses and holdings of Bondholders and any other relevant information reflected in the registration books. Any Paying Agent of any fully registered Bond shall effect payment of interest on such Bonds

by mailing a check to the Holder entitled thereto or may, in lieu thereof, upon the request and at the expense of such Holder, transmit such payment by bank wire transfer for the account of such Holder.

In all cases in which the privilege of exchanging Bonds or the transfer of Bonds shall be registered, the Board shall execute and the Registrar shall authenticate and deliver such Bonds in accordance with the provisions of the Resolution. Execution of Bonds by the Chairman and Superintendent for purposes of exchanging, replacing or registering the transfer of Bonds may occur at the time of the original delivery of the Series of which such Bonds are a part. All Bonds surrendered in any such exchanges or registration of transfer shall be held by the Registrar in safekeeping until directed by the Board to be cancelled by the Registrar. For every such exchange or registration of transfer, the Board or the Registrar may make a charge sufficient to reimburse it for any tax, fee, expense or other governmental charge required to be paid with respect to such exchange or registration of transfer. The Board and the Registrar shall not be obligated to make any such exchange or transfer of Bonds of any Series during the 15 days next preceding an Interest Date on the Bonds of such Series (other than Capital Appreciation Bonds and Variable Rate Bonds), or, in the case of any proposed redemption of Bonds of such series, then, for the Bonds subject to redemption, during the 15 days next preceding the date of the first mailing of notice of such redemption and continuing until such redemption date.

SECTION 2.9 FORM OF BONDS. The text of the Bonds, except for Capital Appreciation Bonds and Variable Rate Bonds, the form of which shall be provided by Supplemental Resolution of the Board, shall be in substantially the following form with such omissions, insertions and variations as may be necessary and/or desirable and approved by the Chairman or the Superintendent prior to the issuance thereof (which necessity and/or desirability and approval shall be presumed by such officer's execution of the Bonds and the Board's delivery of the Bonds to the purchaser or purchasers thereof):

No. R-_____

\$_____

UNITED STATES OF AMERICA
STATE OF FLORIDA
THE SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SALES TAX REVENUE BONDS,
SERIES 20__

Interest Rate	Maturity Date	Date of Original Issue	CUSIP
_____%	_____/____	_____/____	_____

Registered Holder:

Principal Amount:

The School Board of Escambia County, Florida (the "Board"), the governing body of the School District of Escambia County, Florida, a governmental authority created by Article IX, Section 4 of the Florida Constitution, for value received, hereby promises to pay, solely from the Pledged Funds hereinafter described, to the Registered Holder identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest on such Principal Amount from the Date of Original Issue identified above or from the most recent interest payment date to which interest has been paid at the Interest Rate identified above on _____ 1 and _____ 1 of each year commencing _____ 1, ____ until such Principal Amount shall have been paid, except as the provisions hereinafter set forth with respect to redemption prior to maturity may be or become applicable hereto.

Such Principal Amount of, and premium, if any, and interest on this Bond are payable in any coin or currency of the United States of America which, on the respective dates of payment thereof, shall be legal tender for the payment of public and private debts. Such Principal Amount of, and the premium, if any, on this Bond, are payable, upon presentation and surrender hereof, at the designated corporate trust office of _____, as Paying Agent. Payment of each installment of interest shall be made to the person in whose name this Bond shall be registered on the registration books of the Board maintained by _____, _____, _____, as Registrar, at the close of business on the date which shall be the 15th day (whether or not a business day) of the calendar month next preceding each interest payment date and shall be paid by a check or draft of such Paying Agent mailed to such Registered Holder at the address appearing on such registration books or, at the option of such Paying Agent, and at the request and expense of such Registered Holder, by bank wire transfer for the account of such Holder.

[Insert Optional and/or Mandatory Redemption Provisions].

Redemption of this Bond under the preceding paragraphs shall be made as provided in the Resolution, and may be conditional as provided therein, upon notice given by first class mail sent at least 30 days prior to the redemption date to the Registered Holder hereof at the address shown on the registration books maintained by the Registrar; provided, however, that failure to mail notice to the Registered Holder hereof, or any defect therein, shall not affect the validity of the proceedings for redemption of other Bonds as to which no such failure or defect has occurred. In the event that less than the full principal amount hereof shall have been called for redemption, the Registered Holder hereof shall surrender this Bond in exchange for one or more Bonds in an aggregate principal amount equal to the unredeemed portion of principal, as provided in the Resolution.

This Bond is one of an authorized issue of Bonds in the aggregate principal amount of \$_____ (the "Bonds") of like date, tenor and effect, except as to maturity date, interest rate, denomination and number, issued to finance _____, in and for the Board, under the authority of and in full compliance with the Constitution and laws of the State of Florida, particularly Chapters 212 and 1001, Florida Statutes, as amended and other applicable provisions of law (collectively, "the Act") and a Sales Tax Revenue Bond Resolution duly adopted by the Board on April 21, 2015, as amended and supplemented (the "Resolution"), and is subject to all the terms and conditions of the Resolution.

This Bond and the interest hereon are payable solely from and secured by a lien upon and a pledge of (A) the Sales Tax Revenues (as defined in the Resolution) and (B) until applied in accordance with the provisions of the Resolution, all moneys, including investments thereof, in certain of the funds and accounts established by the Resolution, all in the manner and to the extent described in the Resolution (collectively, the "Pledged Funds").

THE BONDS SHALL NOT BE OR CONSTITUTE GENERAL OBLIGATIONS OR INDEBTEDNESS OF THE BOARD AS "BONDS" WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISIONS, BUT SHALL BE SPECIAL OBLIGATIONS OF THE BOARD, PAYABLE SOLELY FROM AND SECURED BY A LIEN UPON AND PLEDGE OF THE PLEDGED FUNDS IN ACCORDANCE WITH AND TO THE EXTENT SET FORTH IN THE RESOLUTION. NO HOLDER OF ANY BOND OR ANY CREDIT FACILITY PROVIDER OR INSURER SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER TO PAY SUCH BOND, OR BE ENTITLED TO PAYMENT OF SUCH BOND FROM ANY MONEYS OF THE BOARD EXCEPT FROM THE PLEDGED FUNDS IN THE MANNER PROVIDED IN THE RESOLUTION.

The transfer of this Bond is registrable in accordance with the terms of the Resolution only upon the books of the Board kept for that purpose at the designated corporate trust office of the Registrar by the Registered Holder hereof in person or by his attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer

satisfactory to the Registrar duly executed by the Registered Holder or his attorney duly authorized in writing, and thereupon a new Bond or Bonds in the same aggregate principal amount shall be issued to the transferee in exchange therefor, and upon the payment of the charges, if any, therein prescribed. For every such exchange or registration of transfer, the Board or the Registrar may make a charge sufficient to reimburse it for any tax, fee, expense or other governmental charge required to be paid with respect to such exchange or registration of transfer. The Bonds are issuable in the form of fully registered Bonds in the denomination of \$5,000 and any integral multiple thereof, not exceeding the aggregate principal amount of the Bonds. The Board, the Registrar and any Paying Agent may treat the Registered Holder of this Bond as the absolute owner hereof for all purposes, whether or not this Bond shall be overdue, and shall not be affected by any notice to the contrary. The Board and the Registrar shall not be obligated to make any exchange or transfer of the Bonds during the 15 days next preceding an interest payment date or, in the case of any proposed redemption of the Bonds, then, for the Bonds subject to redemption, during the 15 days next preceding the date of the first mailing of notice of such redemption.

Reference to the Resolution and any and all resolutions supplemental thereto and modifications and amendments thereof and to the Act is made for a description of the pledge and covenants securing this Bond, the nature, manner and extent of enforcement of such pledge and covenants, and the rights, duties, immunities and obligations of the Board.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this Bond, exist, have happened and have been performed, in regular and due form and time as required by the laws and constitution of the state of Florida applicable thereto, and that the issuance of the Bonds does not violate any constitutional or statutory limitations or provisions.

Neither the members of the Board nor any person executing this Bond shall be liable personally hereon or be subject to any personal liability or accountability by reason of the issuance hereof.

This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Registrar.

IN WITNESS WHEREOF, The School Board of Escambia County, Florida has issued this Bond and has caused the same to be executed by the manual or facsimile signature of the Chairman of the Board, and by the manual or facsimile signature of the Superintendent of Schools and Ex Officio Secretary to the Board and its official seal or a facsimile thereof to be affixed or reproduced hereon, all as of the ____ day of _____, 20__.

THE SCHOOL BOARD OF ESCAMBIA
COUNTY, FLORIDA

(SEAL)

By: _____
Chairman

ATTEST:

By: _____
Superintendent of Schools and Ex Officio
Secretary

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the Issue described in the within-mentioned Resolution.

DATE OF AUTHENTICATION: _____, 20__.

Registrar, as Authenticating Agent

By: _____
Authorized Officer

ASSIGNMENT AND TRANSFER

For value received the undersigned hereby sells, assigns and transfers unto _____
(Please insert Social Security or other identifying number of transferee) _____
_____ the attached bond of The School Board of Escambia County, Florida, and does hereby
constitute and appoint, _____, attorney, to transfer the said Bond on the
books kept for Registration thereof, with full power of substitution in the premises.

Date: _____

Signature Guaranteed by _____
[member firm of the New York Stock
Exchange or a commercial bank or a trust
company]

By: ___(manual or facsimile)_____
Authorized Officer

NOTICE: No transfer will be registered and
no new Bonds will be issued in the name of
the transferee, unless the signature to this
assignment corresponds with the name as it
appears upon the face of the within Bond in
every particular, without alteration or
enlargement or any change whatever and the
Social Security or Federal Employer
Identification Number of the transferee is
supplied.

[END OF FORM OF BOND]

**ARTICLE III
REDEMPTION OF BONDS**

SECTION 3.1 PRIVILEGE OF REDEMPTION.

(A) The terms of this Article III shall apply to redemption of Bonds other than Capital Appreciation Bonds or Variable Rate Bonds. The terms and provisions relating to redemption of Capital Appreciation Bonds and Variable Rate Bonds shall be provided by Supplemental Resolution.

(B) The Series 2015 Bonds may be redeemable prior to their stated dates of maturity, either in whole or in part, at such times and upon such terms as shall be approved by the Chairman and Superintendent and included in the final Official Statement or the Series 2015 Bonds.

(C) Additional Bonds shall be subject to optional and mandatory redemption in accordance with the terms of the Supplemental Resolution setting forth the details of such Additional Bonds.

SECTION 3.2 SELECTION OF BONDS TO BE REDEEMED. The Bonds shall be redeemed only in the principal amount of \$5,000 each and integral multiples thereof. The Board shall, at least 45 days prior to the redemption date (unless a shorter time period shall be satisfactory to the Registrar but in no event less than 35 days) notify the Registrar of such redemption date and of the principal amount of Bonds to be redeemed.

For purposes of any redemption of less than all of the Outstanding Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected not more than 45 and not less than 35 days prior to the redemption date by the Registrar from the Outstanding Bonds of the maturity or maturities designated by the Board or, if not so designated, by such other method as the Registrar shall deem fair and appropriate and which may provide for the selection for redemption of Bonds or portions of Bonds in principal amounts of \$5,000 and integral multiples thereof. If less than all of the Outstanding Bonds of a single maturity are to be redeemed, the Registrar shall promptly notify the Board and Paying Agent (if the Registrar is not the Paying Agent for such Bonds) in writing of the Bonds or portions of Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed.

SECTION 3.3 NOTICE OF REDEMPTION.

(A) Notice of such redemption, which shall specify the Bond or Bonds (or portions thereof) to be redeemed and the date and place for redemption, shall be given by the Registrar on behalf of the Board, and (1) shall be filed with the Paying Agents of such Bonds and (2) shall

be mailed first class, postage prepaid, at least 30 days and not more than 60 days prior to the redemption date to all Holders of Bonds to be redeemed at their addresses as they appear on the registration books kept by the Registrar as of the date of mailing of such notice. Failure to mail notice to the Holders of the Bonds to be redeemed, or any defect therein, shall not affect the proceedings for redemption of Bonds as to which no such failure or defect has occurred.

(B) Each notice of redemption shall state: (1) the CUSIP numbers of all Bonds being redeemed, (2) the original issue date of such Bonds, (3) the maturity date and rate of interest borne by each Bond being redeemed, (4) the redemption date, (5) the Redemption Price, (6) the date on which such notice is mailed, (G) if less than all Outstanding Bonds are to be redeemed, the certificate number (and, in the case of a partial redemption of any Bond, the principal amount) of each Bond to be redeemed, (7) that on such redemption date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of Bonds to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable, (8) that the Bonds to be redeemed, whether as a whole or in part, are to be surrendered for payment of the Redemption Price at the principal office of the Registrar at an address specified, and (9) unless sufficient funds have been set aside by the Board for such purpose prior to the mailing of the notice of redemption, that such redemption is conditioned upon the deposit of sufficient funds for such purpose on or prior to the date set for redemption. Such notice and the redemption set forth therein may be subject to the satisfaction of one or more additional conditions set forth therein.

(C) Within 60 days after the date of redemption, the Registrar shall give a second notice of redemption by mailing another copy of the redemption notice to the registered Owners of Bonds called for redemption but which have not been presented for payment within 30 days after the date set for redemption. In addition to the mailing of the notice described above, each notice of redemption and payment of the Redemption Price shall meet the following requirement; provided, however, the failure to provide such further notice of redemption or to comply with the terms of this paragraph shall not in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed above.

SECTION 3.4 REDEMPTION OF PORTIONS OF BONDS. Any Bond which is to be redeemed only in part shall be surrendered at any place of payment specified in the notice of redemption (with due endorsement by, or written instrument of transfer in form satisfactory to the Registrar duly executed by, the Holder thereof or his attorney duly authorized in writing) and the Board shall execute and the Registrar shall authenticate and deliver to the Holder of such Bond, without service charge, a new Bond or Bonds, of the same interest rate and maturity, and of any authorized denomination as requested by such Holder, in an aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bonds so surrendered.

SECTION 3.5 PAYMENT OF REDEEMED BONDS. Notice of redemption having been given substantially as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Board shall default in the payment of the Redemption Price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Registrar and/or Paying Agent at the appropriate Redemption Price, plus accrued interest. Each check or other transfer of funds issued by the Paying Agent to pay the Redemption Price of Bonds being redeemed shall bear the number or numbers of such Bonds and identify the payments applicable to each CUSIP number. All Bonds which have been redeemed shall be canceled by the Registrar and shall not be reissued.

**ARTICLE IV
SECURITY, SPECIAL FUNDS AND
APPLICATION THEREOF**

SECTION 4.1 BONDS NOT TO BE INDEBTEDNESS OF BOARD. The Bonds shall not be or constitute general obligations or indebtedness of the Board as "bonds" within the meaning of any constitutional or statutory provisions, but shall be special obligations of the Board, payable solely from and secured by a lien upon and pledge of the Pledged Funds in accordance with and to the extent set forth in the Resolution. No Holder of any Bond or any Credit Facility Provider or Insurer shall ever have the right to compel the exercise of any ad valorem taxing power to pay such Bond, or be entitled to payment of such Bond from any moneys of the Board except from the Pledged Funds in the manner provided herein.

SECTION 4.2 SECURITY FOR BONDS. Except as otherwise provided herein, the payment of the principal of or Redemption Price, if applicable, and interest on the Bonds shall be secured forthwith equally and ratably by a pledge of and lien upon the Pledged Funds; provided, however, a Series of Bonds may be further secured by a Credit Facility or a Bond Insurance Policy in addition to the security provided herein; and provided further that a Series of Bonds may be secured independently of any other Series of Bonds by the establishment of a Reserve Account for such Series of Bonds. The Board does hereby irrevocably pledge the Pledged Funds to the payment of the principal of or Redemption Price, if applicable, and interest on the Bonds in accordance with the provisions hereof. The Pledged Funds shall immediately be subject to the lien of this pledge without any physical delivery thereof or further act, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Board.

SECTION 4.3 PROJECT FUND.

(A) The Board covenants and agrees to establish a special fund to be known as the "the School Board of Escambia County Sales Tax Revenue Bonds Project Fund," which shall be used only for payment of the Cost of the Projects. Moneys in the Project Fund, until applied in

payment of any item of the Cost of a Project in the manner hereinafter provided, shall be held in trust by the Board and shall be subject to a lien and charge in favor of the Holders of the Bonds and for the further security of such Holders. The Board shall establish within the Project Fund a separate account for each Project (including the Series 2015 Project) the Cost of which is to be paid in whole or in part out of the Project Fund.

(B) The Board covenants that the acquisition, construction and installation of each Project will be completed with due diligence and in accordance with sound engineering practices. The Board shall make disbursements or payments from the Project Fund to pay the Cost of a Project upon the filing with the Assistant Superintendent of documents and/or certificates signed by the Superintendent or his designee, stating with respect to each disbursement or payment to be made: (1) the item number of the payment, (2) the name and address of the Person to whom payment is due, (3) the amount to be paid, (4) the Project Fund account from which payment is to be made, (5) the purpose, by general classification, for which payment is to be made, and (6) that (i) each obligation, item of cost or expense mentioned therein has been properly incurred, is in payment of a part of the Cost of a Project and is a proper charge against the account of the Project Fund from which payment is to be made and has not been the basis of any previous disbursement or payment, or (ii) each obligation, item of cost or expense mentioned therein has been paid by the Board, is a reimbursement of a part of the Cost of a Project, is a proper charge against the account of the Project Fund from which payment is to be made, has not been theretofore reimbursed to the Board or otherwise been the basis of any previous disbursement or payment and the Board is entitled to reimbursement thereof. The Assistant Superintendent shall retain all such certificates of the Superintendent for three years from the dates of such documents and/or certificates. The Assistant Superintendent shall make available the documents and/or certificates at all reasonable times for inspection by any Holder of any of the Bonds or the agent or representative of any Holder of any of the Bonds.

(C) Notwithstanding any of the other provisions of this Section 4.3, to the extent that other moneys are not available therefor, amounts in an account of the Project Fund with respect to any Series of Bonds shall be applied to the payment of principal of and interest on such Bonds when due.

(D) The date of completion of acquisition, construction and installation of a Project shall be determined by the Superintendent or his designee. Promptly after the date of the completion of a Project, and after paying or making provisions for the payment of all unpaid items of the Cost of such Project, the Board shall deposit in the following order of priority any balance of moneys remaining in the Project Fund in (1) another account of the Project Fund for which the Authorized Board Officer has stated that there are insufficient moneys present to pay the Cost of the related Project, and (2) such other fund or account established hereunder as shall be determined by the Board, provided the Board has received an opinion of Bond Counsel to the effect that such transfer shall not adversely affect the exclusion, if any, of interest on the Bonds from gross income for purposes of federal income taxation.

SECTION 4.4 FUNDS AND ACCOUNTS. The Board covenants and agrees to establish special funds to be known as the "The School Board of Escambia County Sales Tax Revenue Bonds Revenue Fund", the "The School Board of Escambia County Sales Tax Revenue Bonds Debt Service Fund," and the "The School Board of Escambia County Sales Tax Revenue Bonds Rebate Fund." The Board shall maintain in the Revenue Fund two accounts: the "Restricted Revenue Account" and the "Unrestricted Revenue Account." The Board shall maintain in the Debt Service Fund four accounts: the "Interest Account," the "Principal Account," the "Bond Amortization Account" and the "Reserve Account." Moneys in the aforementioned funds and accounts, other than the Rebate Fund and the Unrestricted Revenue Account, until applied in accordance with the provisions hereof, shall be subject to a lien and charge in favor of the Holders of the Bonds and for the further security of such Holders.

The Board may at any time and from time to time appoint one or more depositaries to hold, for the benefit of the Bondholders, any one or more of the funds, accounts and subaccounts established hereby. Such depositary or depositaries shall perform at the direction of the Board the duties of the Board in depositing, transferring and disbursing moneys to and from each of such funds and accounts as herein set forth, and all records of such depositary in performing such duties shall be open at all reasonable times to inspection by the Board and its agents and employees. Any such depositary shall be a bank or trust company duly authorized to exercise corporate trust powers and subject to examination by federal or state authority, of good standing, and having a combined capital, surplus and undivided profits aggregating not less than fifty million dollars (\$50,000,000).

SECTION 4.5 DISPOSITION OF REVENUES.

(A) The Board shall promptly deposit or credit the Sales Tax Revenues to the Restricted Revenue Account. The moneys in the Restricted Revenue Account shall be deposited or credited on or before the last day of each month, commencing in the month immediately following receipt of Sales Tax Revenues from the State, in the following manner and in the following order of priority.

(1) Interest Account. There shall be deposited or credited to the Interest Account an amount which, together with the balance in said account, shall equal the interest on all Bonds Outstanding (except as to Capital Appreciation Bonds) accrued and unpaid and to accrue to the end of the current calendar month (assuming that a year consists of 12 months of 30 days each). Moneys in the Interest Account shall be used to pay interest on the Bonds as and when the same become due, whether by redemption or otherwise, and for no other purpose. The Board shall adjust the amount of the deposit into the Interest Account not later than the month immediately preceding any Interest Date so as to provide sufficient moneys in the Interest Account to pay the interest on the Bonds coming due on such Interest Date. No further deposit need be made to the

Interest Account when the moneys therein are equal to the interest coming due on the Outstanding Bonds on the next succeeding Interest Date.

(2) Principal Account. Commencing in the month which is one year prior to the first principal payment date, there shall be deposited or credited to the Principal Account an amount which, together with the balance in said account, shall equal the principal on Serial Bonds Outstanding due and unpaid and that portion of the principal next due which would have accrued on said Bonds during the then current calendar month if such principal amounts were deemed to accrue daily (assuming that a year consists of 12 months of 30 days each), in equal amounts from the next preceding principal due date, or if there is no such preceding principal due date, from a date one year preceding the due date of such principal amount. Moneys in the Principal Account shall be used to pay the principal of the Bonds as and when the same become due, whether by redemption or otherwise, and for no other purpose. Capital Appreciation Bonds issued as Serial Bonds shall be payable from the Principal Account in the Bond Year in which such Bonds mature and monthly deposits or credits into the Principal Account shall commence in the month which is one year prior to the date on which such Bonds mature. The Board shall adjust the amount of deposit to the Principal Account not later than the month immediately preceding any principal payment date so as to provide sufficient moneys in the Principal Account to pay the principal on Bonds becoming due on such principal payment date. No further deposit need be made to the Principal Account when the moneys therein are equal to the principal coming due on the Outstanding Bonds on the next succeeding principal payment date.

(3) Bond Amortization Account. Commencing in the month which is one year prior to any Amortization Installment due date, there shall be deposited or credited to the Bond Amortization Account an amount which, together with the balance in said account, shall equal the Amortization Installments of all Bonds Outstanding due and unpaid and that portion of the Amortization Installment next due which would have accrued on said Bonds during the then current calendar month if such Amortization Installment were deemed to accrue daily (assuming that a year consists of 12 months of 30 days each), in equal amounts from the next preceding Amortization Installment due date, or if there is no such preceding principal due date, from a date one year preceding the due date of such Amortization Installment. Moneys in the Bond Amortization Account shall be used to purchase or redeem Term Bonds in the manner herein provided, and for no other purpose. The Board shall adjust the amount of the deposit into the Bond Amortization Account not later than the month immediately preceding any date for payment of an Amortization Installment so as to provide sufficient moneys in the Bond Amortization Account to pay the Amortization Installments on the Bonds coming due on such date. No further deposit need be made to the Bond Amortization Account when the moneys therein are equal to the Amortization Installments coming due on the Outstanding Bonds on the next succeeding Amortization Installment due

date. Payments to the Bond Amortization Account shall be on a parity with payments to the Principal Account.

Amounts accumulated in the Bond Amortization Account with respect to any Amortization Installment (together with amounts accumulated in the Interest Account with respect to interest, if any, on the Term Bonds for which such Amortization Installment was established) may be applied by the Board, on or prior to the 60th day preceding the due date of such Amortization Installment, (i) to the purchase of Term Bonds of the Series and maturity for which such Amortization Installment was established at a price not exceeding par plus accrued interest, or (ii) to the redemption at the applicable Redemption Prices of such Term Bonds, if then redeemable by their terms at a price not exceeding par plus accrued interest. The applicable Redemption Price (or principal amount of maturing Term Bonds) of any Term Bonds so purchased or redeemed shall be deemed to constitute part of the Bond Amortization Account until such Amortization Installment date, for the purposes of calculating the amount of such account. As soon as practicable after the 60th day preceding the due date of any such Amortization Installment, the Board shall proceed to call for redemption on such due date, by causing notice to be given as provided in Section 3.3 hereof, Term Bonds of the Series and maturity for which such Amortization Installment was established (except in the case of Term Bonds maturing on an Amortization Installment date) in such amount as shall be necessary to complete the retirement of the unsatisfied balance of such Amortization Installment. The Board shall pay out of the Bond Amortization Account and the Interest Account to the appropriate Paying Agents, on or before the day preceding such redemption date (or maturity date), the amount required for the redemption (or for the payment of such Term Bonds then maturing), and such amount shall be applied by such Paying Agents to such redemption (or payment). All expenses in connection with the purchase or redemption of Term Bonds shall be paid by the Board from the Restricted Revenue Account prior to such purchase or redemption.

(4) Reserve Account. The Board shall next deposit into the Reserve Account a sum which shall not be less than 1/12th of the amount which shall enable the Board to restore the funds on deposit in the Reserve Account to an amount equal to the Reserve Account Requirement. Moneys in the Reserve Account shall be used only for the purpose of the payment of maturing principal of or interest or Amortization Installments on the Bonds when the other moneys in the Debt Service Fund are insufficient therefor, and for no other purpose. However, whenever the moneys on deposit in the Reserve Account exceed the Reserve Account Requirement, such excess shall be withdrawn and deposited into the Interest Account. The Board may establish by Supplemental Resolution a subaccount in the Reserve Account that may secure less than all of the Bonds Outstanding.

Upon the issuance of any Additional Bonds under the terms, limitations and conditions as herein provided, the Board may, on the date of delivery of such Additional

Bonds, increase the sum required to be accumulated and maintained on deposit in the Reserve Account to be at least equal to the Reserve Account Requirement on all Outstanding Bonds including the Additional Bonds then issued. In addition, the Board may establish a subaccount in the Reserve Account securing only such Series of Bonds. The Board may also establish that the Reserve Account Requirement for the Additional Bonds is a lesser amount than the maximum amount permitted to be the Reserve Account Requirement, including an amount of \$0.00, and that such Additional Bonds are not secured by any Reserve Account (or subaccount therein).

Such required sum may be paid in full or in part from the proceeds of such Additional Bonds or may be accumulated in equal monthly payments to the Reserve Account over a period of months from the date of issuance of the Additional Bonds, which shall not exceed the greater of 12 months, or the number of months for which interest on such Additional Bonds has been capitalized, as determined by Supplemental Resolution. In the event moneys in the Reserve Account are accumulated as provided above, (i) the amount in said Reserve Account on the date of delivery of the Additional Bonds shall not be less than the Reserve Account Requirement on all Bonds Outstanding (excluding the Additional Bonds) on such date, and (ii) the incremental difference between the Reserve Account Requirement on all Bonds Outstanding (excluding the Additional Bonds) on the date of delivery of the Additional Bonds and the Reserve Account Requirement on all such Bonds and the Additional Bonds shall be fifty percent (50%) funded upon delivery of the Additional Bonds.

Notwithstanding the foregoing, in lieu of or in substitution for the required deposits into the Reserve Account (or any subaccount therein), the Board may cause to be deposited into the Reserve Account (or any subaccount therein) a Reserve Fund Insurance Policy and/or a Reserve Fund Letter of Credit in an amount equal to the difference between the applicable Reserve Account Requirement and the sums then on deposit in the Reserve Account (or any subaccount therein) plus the amounts to be deposited therein pursuant to the preceding paragraph.

The issuer providing such Reserve Fund Insurance Policy and/or Reserve Fund Letter of Credit shall either be (i) an insurer (a) whose municipal bond insurance policies insuring the payment, when due, of the principal of and interest on municipal bond issue results in such issues being rated in one of the three highest categories (without regard to gradations, such as "plus" or "minus" of such category) by either Standard & Poor's, Moody's or Fitch or (b) who holds the highest policyholder rating accorded insurers by A.M. Best & Company, or any comparable service, or (ii) a commercial bank, insurance company or other financial institution the obligations payable or guaranteed by which have been assigned a rating by Moody's, Standard & Poor's or Fitch in one of the two highest rating categories (without regard to gradations, such as "plus" or "minus" of such categories); provided, that notwithstanding the foregoing, such insurer or commercial bank must be rated by any rating agency or agencies providing a rating

on the Bonds secured by such Reserve Fund Insurance Policy or Reserve Fund Letter of Credit.

In the event the Reserve Account (or any subaccount therein) contains both a Reserve Fund Insurance Policy or Reserve Fund Letter of Credit and cash, the cash shall be drawn down completely prior to any draw on the Reserve Fund Insurance Policy or Reserve Fund Letter of Credit. In the event more than one Reserve Fund Insurance Policy or Reserve Fund Letter of Credit is on deposit in the Reserve Account (or any subaccount therein), amounts required to be drawn thereon shall be done on a pro rata basis calculated by reference to the maximum amounts available thereunder.

The Board may evidence its obligation to reimburse the issuer of any Reserve Fund Letter of Credit or Reserve Fund Insurance Policy by executing and delivering to such issuer a promissory note or reimbursement agreement therefor; provided, however, any such note or agreement shall not be or create a general obligation of the Board the payment of which is secured by the full faith and credit or taxing power of the Board, and shall be payable or obligate the Board to pay solely from the Pledged Funds in the manner provided herein.

To the extent the Board causes to be deposited into the Reserve Account a Reserve Fund Insurance Policy and/or a Reserve Fund Letter of Credit for a term of years shorter than the life of the Bonds, then the Reserve Fund Insurance Policy and/or the Reserve Fund Letter of Credit shall provide, among other things, that the issuer thereof shall provide the Board and the Paying Agents with notice as of each anniversary of the date of the issuance of the Reserve Fund Insurance Policy and/or the Reserve Fund Letter of Credit of the intention of the issuer thereof to either (i) extend the term of the Reserve Fund Insurance Policy and/or the Reserve Fund Letter of Credit beyond the expiration dates thereof, or (ii) terminate the Reserve Fund Insurance Policy and/or the Reserve Fund Letter of Credit on the initial expiration dates thereof or such other future date as the issuer thereof shall have established. If the issuer of the Reserve Fund Insurance Policy and/or the Reserve Fund Letter of Credit notifies the Board pursuant to clause (ii) of the immediately preceding sentence or if the Board terminates the Reserve Fund Letter of Credit and/or Reserve Fund Insurance Policy, then the Board shall deposit into the Reserve Account, on or prior to the end of the first full calendar month following the date on which such notice is received by the Board and each month hereafter, such sums as shall be sufficient to pay an amount equal to a fraction, the numerator of which is one and the denominator of which is equal to the number of months remaining in the term of the Reserve Fund Insurance Policy and/or the Reserve Fund Letter of Credit on the date such notice was received multiplied by the maximum amount available, assuming full reimbursement by the Board, under the Reserve Fund Letter of Credit and/or the Reserve Fund Insurance Policy until amounts on deposit in the Reserve Account, as a result of the aforementioned deposits, and no later than upon

the expiration of such Reserve Fund Insurance Policy and/or such Reserve Fund Letter of Credit, shall be equal to the Reserve Account Requirement.

Additionally, Reserve Fund Letters of Credit shall be for a term of not less than three years. The issuer of the Reserve Fund Letter of Credit shall be required to notify the Board and the Paying Agent, not later than 30 months prior to the stated expiration date of the Reserve Fund Letter of Credit, as to whether such expiration date shall be extended, and if so, shall indicate the new expiration date.

The obligation to reimburse the issuer of the Reserve Fund Insurance Policy or Reserve Fund Letter of Credit for any fees, expenses, claims or draws upon such Reserve Fund Insurance Policy or Reserve Fund Letter of Credit shall be subordinate to the payment of debt service on the Bonds. The right of the issuer of a Reserve Fund Insurance Policy or Reserve Fund Letter of Credit to payment or reimbursement of its fees and expenses shall be subordinated to cash replenishment of the Reserve Account, and subject to the second succeeding sentence, its right to reimbursement for claims or draws shall be prior to the replenishment of the cash drawn from the Reserve Account. The Reserve Fund Insurance Policy or Reserve Fund Letter of Credit shall provide for a revolving feature under which the amount available thereunder will be reinstated to the extent of any reimbursement of draws or claims paid. If the revolving feature is suspended or terminated for any reason, the right of the issuer of the Reserve Fund Insurance Policy or Reserve Fund Letter of Credit reimbursement will be further subordinated to cash replenishment of the Reserve Account to an amount equal to the difference between the full original amount available under the Reserve Fund Insurance Policy or Reserve Fund Letter of Credit and the amount then available for further draws or claims. If (i) the issuer of a Reserve Fund Insurance Policy or Reserve Fund Letter of Credit becomes insolvent or (ii) the issuer of a Reserve Fund Insurance Policy or Reserve Fund Letter of Credit defaults in its payment obligations thereunder or (iii) the claims-paying ability of the issuer of the Reserve Fund Insurance Policy falls below the rating by S&P or Moody's or Fitch assigned thereto at the time of delivery of such Reserve Fund Insurance Policy, or (iv) the rating of the issuer of the Reserve Fund Letter of Credit falls below the Rating that S&P assigned thereto at the time of delivery of such Reserve Fund Letter of Credit, the obligation to reimburse the issuer of the Reserve Fund Insurance Policy or Reserve Fund Letter of Credit shall be subordinate to the cash replenishment of the Reserve Account.

Permitted Investments on deposit in the Reserve Account (or any subaccount therein) shall be valued at fair value pursuant to generally accepted accounting principles at least annually. In the event of the refunding of any Series of Bonds, the Board may withdraw from the Reserve Account or subaccount securing such Series, all or any portion of the amounts accumulated therein with respect to the Bonds being refunded and deposit such amounts as required by the Supplemental Resolution authorizing the refunding of such Series of Bonds; provided that such withdrawal shall

not be made unless (i) immediately thereafter, the Bonds being refunded shall be deemed to have been paid pursuant to the provisions hereof, and (ii) the amount remaining in the Reserve Account (or any subaccount therein) after giving effect to the issuance of such refunding obligations and the disposition of the proceeds thereof shall not be less than the applicable Reserve Account Requirement for any Bonds then Outstanding which are secured thereby.

(5) Annual Funding. There shall be next deposited to the Interest Account, the Principal Account and the Bond Amortization Account, in that order, sufficient moneys such that the amounts on deposit therein shall equal, respectively, the interest, principal, and Amortization Installment next coming due on all outstanding Bonds during the current Bond Year.

(6) Unrestricted Revenue Account. The balance of any moneys after the deposits required by Sections 4.5(A)(1) through 4.5(A)(5) hereof may be transferred, at the discretion of the Board, to the Unrestricted Revenue Account or any other appropriate fund or account of the Board and may be used for any lawful purpose. In the event moneys on deposit in the Interest Account, the Principal Account and the Bond Amortization Account on the third day prior to an Interest Date are not sufficient to pay the principal of and interest on the Bonds coming due at such Interest Date, the Board shall transfer moneys from the Unrestricted Revenue Account to the appropriate account of the Debt Service Fund to provide for such payment. Any moneys remaining in the Unrestricted Revenue Account on each Interest Date may be used for any lawful purpose.

(B) The Board agrees that moneys in the Interest Account, the Principal Account, and the Bond Amortization Account shall be used to pay the principal of or Redemption Price, if applicable, and interest on the Bonds only to the extent that such moneys are permitted to be used for such purpose by the Act. The Board shall employ such accounting procedures as shall be necessary to ensure compliance with the Act.

(C) The Board, in its discretion, may use moneys in the Principal Account and the Interest Account to purchase or redeem Bonds coming due on the next principal payment date, provided such purchase or redemption does not adversely affect the Board's ability to pay the principal or interest coming due on such principal payment date on the Bonds not so purchased or redeemed.

(D) At least two business days prior to the date established for payment of any principal of or Redemption Price, if applicable, or interest on the Bonds, the Board shall withdraw from the appropriate account of the Debt Service Fund sufficient moneys to pay such principal or Redemption Price, if applicable, or interest and deposit such moneys with the Paying Agent for the Bonds to be paid.

(E) In the event the Board shall issue a Series of Bonds secured by a Credit Facility, the Board may establish such separate subaccounts in the Interest Account, the Principal Account and the Bond Amortization Account to provide for payment of the principal of and interest and Amortization Installments on such Series of Bonds; provided one Series of Bonds shall not have preference in payment from the Pledged Funds over any other Series of Bonds. The Board may also deposit moneys in such subaccounts at such other times and in such other amounts from those provided in this Section 4.5 as shall be necessary to pay the principal of and interest and Amortization Installments on such Bonds as the same shall become due, all as provided by the Supplemental Resolution authorizing such Bonds.

In the case of Bonds secured by a Credit Facility, amounts on deposit in any subaccounts established for such Bonds may be applied as provided in the applicable Supplemental Resolution to reimburse the Credit Facility Provider for amounts drawn under such Credit Facility to pay the principal of or Redemption Price, if applicable, and interest on such Bonds or to pay the purchase price of any such Bonds which are tendered by the Holders thereof for payment.

SECTION 4.6 REBATE FUND. Amounts on deposit in the Rebate Fund shall be held in trust by the Board and used solely to make required rebates to the United States (except to the extent the same may be transferred to the Board) and the Bondholders shall have no right to have the same applied for debt service on the Bonds. For any Series of Bonds for which the rebate requirements of Section 148(f) of the Code are applicable, the Board agrees to undertake all actions required of it in its arbitrage certificate related to such Series of Bonds, including, but not limited to:

(A) making a determination in accordance with the Code of the amount required to be deposited in the Rebate Fund;

(B) depositing the amount determined in clause (A) above into the Rebate Fund;

(C) paying on the dates and in the manner required by the Code to the United States Treasury from the Rebate Fund and any other legally available moneys of the Board such amounts as shall be required by the Code to be rebated to the United States Treasury; and

(D) keeping such records of the determinations made pursuant to this Section 4.6 as shall be required by the Code, as well as evidence of the fair market value of any investments purchased with proceeds of the Bonds.

The provisions of the above-described arbitrage certificate may be amended without the consent of any Holder, Credit Facility Provider or Insurer from time to time as shall be necessary, in the opinion of Bond Counsel, to comply with the provisions of the Code.

SECTION 4.7 INVESTMENTS. Moneys on deposit in the Project Fund, the Restricted Revenue Account, the Reserve Account and the Debt Service Fund shall be continuously secured in the manner by which the deposit of public funds are authorized to be secured by the laws of the State. Moneys on deposit in the Project Fund, the Restricted Revenue Account, the Reserve Account and the Debt Service Fund, may be invested and reinvested in Authorized Investments maturing not later than the date on which the moneys therein will be needed for the purposes of such fund or account. All investments shall be valued at least annually at the current market value.

Any and all income received by the Board from the investment of moneys in each account of the Project Fund, the Interest Account, the Principal Account, the Bond Amortization Account, the Restricted Revenue Account and the Reserve Account (to the extent the amount on deposit therein is no less than the Reserve Account Requirement) shall be retained in such respective fund, account or subaccount. Any and all income received by the Board from investment of moneys in the Reserve Account (to the extent the amount on deposit therein is greater than the Reserve Account Requirement) shall be deposited in the Interest Account.

Nothing contained in the Resolution shall prevent any Authorized Investments acquired as investments of or security for funds held under the Resolution from being issued or held in book-entry form on the books of the Department of the Treasury of the United States.

SECTION 4.8 SEPARATE ACCOUNTS. The moneys required to be accounted for in each of the foregoing funds, accounts and subaccounts established herein may be deposited in a single, non-exclusive bank account, and funds allocated to the various funds, accounts and subaccounts established herein may be invested in a common investment pool, provided that adequate accounting records are maintained to reflect and control the restricted allocation of the moneys on deposit therein and such investments for the various purposes of such funds, accounts and subaccounts as herein provided.

The designation and establishment of the various funds, accounts and subaccounts in and by the Resolution shall not be construed to require the establishment of any completely independent, self-balancing funds as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues for certain purposes and to establish certain priorities for application of such revenues as herein provided.

ARTICLE V
SUBORDINATED INDEBTEDNESS,
ADDITIONAL BONDS, AND COVENANTS OF BOARD

SECTION 5.1 SUBORDINATED INDEBTEDNESS. The Board will not issue any other obligations, except under the conditions and expressly in the manner provided herein, payable from the Pledged Funds or voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge having priority to or being on a parity with

the lien thereon in favor of the Bonds and the interest thereon. The Board may at any time or from time to time issue evidences of indebtedness payable in whole or in part out of the Pledged Funds and which may be secured by a pledge of the Pledged Funds; provided, however, that such pledge shall be, and shall be expressed to be, subordinated in all respects to the pledge of the Pledged Funds created by the Resolution. The Board shall have the right to covenant with the holders from time to time of any Subordinated Indebtedness to add to the conditions, limitations and restrictions under which any Additional Bonds may be issued pursuant to Section 5.2 hereof. The Board agrees to pay promptly any Subordinated Indebtedness as the same shall become due.

SECTION 5.2 ISSUANCE OF ADDITIONAL BONDS. No Additional Bonds, payable on a parity with the Bonds then Outstanding pursuant to the Resolution, shall be issued except upon the conditions and in the manner herein provided.

The Board may issue one or more Series of Additional Bonds for any one or more of the following purposes: financing the Cost of a Project, or the completion thereof, or refunding any or all Outstanding Bonds or Subordinated Indebtedness of the Board. No such Additional Bonds shall be issued unless the following conditions are complied with:

(A) Except as otherwise provided in Section 5.2(H) hereof, there shall have been obtained and filed with the Board a statement of the Assistant Superintendent: (1) stating that the books and records of the Board relating to the Sales Tax Revenues have been reviewed by such officer; (2) setting forth the amount of the Sales Tax Revenues which have been received by the Board during the Board's last audited fiscal year; and (3) stating that the amount of the Sales Tax Revenues received during the aforementioned 12-month period equals at least 1.25 times the Maximum Annual Debt Service on all Bonds then Outstanding and such Additional Bonds with respect to which such statement is made. Such report of the Assistant Superintendent may be partially based upon certification of certain matters related to the calculation of Maximum Annual Debt Service by the Financial Advisor. Should it be necessary or advantageous to the Board to increase the amount of coverage required by this Section for the issuance of Additional Bonds, the Chairman and Superintendent may agree to such increased level of coverage and evidence such higher requirement in the Series 2015 Purchase Agreement and the Bonds delivered to the Series 2015 Purchaser.

(B) [Reserved]

(C) Additional Bonds shall be deemed to have been issued pursuant to the Resolution the same as the Outstanding Bonds, and all of the other covenants and other provisions of the Resolution (except as to details of such Additional Bonds inconsistent therewith) shall be for the equal benefit, protection and security of the Holders of all Bonds issued pursuant to the Resolution. Except as provided in Sections 4.2 and 4.5 hereof, all Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Pledged Funds and their sources and security for payment therefrom without preference of

any Bonds over any other; provided, however, that the Board shall include a provision in any Supplemental Resolution authorizing the issuance of Variable Rate Bonds pursuant to this Section 5.2 that in the event the principal thereof is accelerated due to such Bonds being held by the issuer of a Credit Facility, the lien of such Bonds on the Pledged Funds shall be subordinate in all respects to the pledge of the Pledged Funds created by the Resolution.

(D) Each resolution authorizing the issuance of Additional Bonds will recite that all of the covenants herein contained applicable to the Additional Bonds, will be applicable to such Additional Bonds and shall establish the Reserve Account Requirement.

(E) The Board shall not be in breach of the covenants and obligations assumed hereunder, and all payments herein required to have been made into the funds and accounts, as provided hereunder, shall have been made to the full extent required.

(F) In the event that the Act is amended to provide for additional sales tax revenues and the Board elects by Supplemental Resolution to include such additional sales tax revenues within the pledge created by the Resolution, the Assistant Superintendent shall assume that such additional amounts were collected during the applicable 12 consecutive month period if such additional sales tax revenues are a result of (1) an increase in the sales tax levied on the same sales tax base, or (2) an increase in the minimum portion of sales tax revenues distributed to the Board on the same sales tax base.

(G) Reserved.

(H) In the event any Additional Bonds are issued for the purpose of refunding any Bonds then Outstanding, the conditions of Section 5.2 hereof shall not apply, provided that the issuance of such Additional Bonds shall not result in an increase of aggregate debt service. The conditions of Section 5.2(A) hereof shall apply to Additional Bonds issued to refund Subordinated Indebtedness and to Additional Bonds issued for refunding purposes which cannot meet the conditions of this paragraph.

(I) All Additional Bonds issued hereunder shall mature at least three months prior to the date of expiration of the surtax from which the Sales Tax Revenues are derived.

SECTION 5.3 BOND ANTICIPATION NOTES. The Board may issue notes in anticipation of the issuance of Bonds which shall have such terms and details and be secured in such manner, not inconsistent with the Resolution including Sections 5.1 and 5.2 hereof, related to parity or subordinate obligations, as shall be provided by resolution of the Board.

SECTION 5.4 ACCESSION OF SUBORDINATED INDEBTEDNESS TO PARITY STATUS WITH BONDS. The Board may provide for the accession of Subordinated Indebtedness to the status of complete parity with the Bonds, if (A) the Board shall meet all the requirements imposed upon the issuance of Additional Bonds by Section 5.2 hereof, assuming,

for purposes of said requirements, that such Subordinated Indebtedness shall be Additional Bonds and (B) the Reserve Account, upon such accession, shall contain an amount equal to the Reserve Account Requirement in accordance with Section 4.5(A)(4) hereof. If the aforementioned conditions are satisfied, the Subordinated Indebtedness shall be deemed to have been issued pursuant to the Resolution the same as the Outstanding Bonds, and such Subordinated Indebtedness shall be considered Bonds for all purposes provided in the Resolution.

SECTION 5.5 NO IMPAIRMENT

The pledging of the Pledged Funds in the manner provided herein shall not be subject to repeal, modification or impairment by any subsequent ordinance, resolution, agreement or other proceedings of the Board.

SECTION 5.6 BOOKS AND RECORDS. The Board will keep books and records of the receipt of the Sales Tax Revenues in accordance with generally accepted accounting principles, and any Credit Facility Provider, Insurer, or Holder or Holders of at least \$1,000,000 aggregate principal amount of Bonds shall have the right at all reasonable times to inspect the records, accounts and data of the Board relating thereto.

SECTION 5.7 ANNUAL AUDIT. The Board shall, immediately after the close of each Fiscal Year, cause the financial statements of the Board to be properly audited by a recognized independent certified public accountant, recognized independent firm of certified public accountants or the State Auditor General's Office, and shall require such accountants to complete their report on the annual financial statements in accordance with applicable law. The annual financial statement shall be prepared in conformity with generally accepted accounting principles consistently applied. A copy of the audited financial statements for each Fiscal Year shall be furnished to each Credit Facility Provider or Insurer. The Board shall be permitted to make a reasonable charge for furnishing such audited financial statements.

SECTION 5.8 RECEIPT OF SALES TAX REVENUES. The Board covenants to do all things necessary or required on its part by the Act, or otherwise to maintain the levy, collection and receipt of the Sales Tax Revenues. The Board shall exercise all legally available remedies to enforce such levy, collection and receipt now or hereafter available under law. The Board will not take any action, or enter into any agreement that shall result in reducing the level of Sales Tax Revenues received by the Board from that level prevailing at the time the Board takes such action or enters into such agreement.

SECTION 5.9 COVENANTS WITH CREDIT FACILITY PROVIDERS AND INSURERS. The Board may make such covenants as it may, in its sole discretion, determine to be appropriate with any Insurer, Credit Facility Provider or other financial institution that shall agree to insure or to provide for Bonds of any one or more Series credit or liquidity support that shall enhance the security or the value of such Bonds. Such covenants may be set forth in the

applicable Supplemental Resolution and shall be binding on the Board, the Registrar, the Paying Agent and all the Holders of Bonds the same as if such covenants were set forth in full in the Resolution.

SECTION 5.10 FEDERAL INCOME TAX COVENANTS; TAXABLE BONDS.

(A) The Board covenants with the Holders of each Series of Bonds (other than Taxable Bonds), that it shall not use the proceeds of such Series of Bonds in any manner which would cause the interest on such Series of Bonds to be or become includable in gross income for purposes of federal income taxation.

(B) The Board covenants with the Holders of each Series of Bonds (other than Taxable Bonds) that neither the Board nor any Person under its control or direction will make any use of the proceeds of such Series of Bonds (or amounts deemed to be proceeds under the Code) in any manner which would cause such Series of Bonds to be "arbitrage bonds" within the meaning of the Code and neither the Board nor any other Person shall do any act or fail to do any act which would cause the interest on such Series of Bonds to become includable in gross income for purposes of federal income taxation.

(C) The Board hereby covenants with the Holders of each Series of Bonds (other than Taxable Bonds) that it will comply with all provisions of the Code necessary to maintain the exclusion of interest on the Bonds from gross income for purposes of federal income taxation, including, in particular, the payment of any amount required to be rebated to the U.S. Treasury pursuant to the Code.

(D) The Board may, if it so elects, issue one or more Series of Taxable Bonds, the interest on which is or may be includable in the gross income of the Holder thereof for federal income taxation purposes, so long as each Bond of such Series states in the body thereof that interest payable thereon is or may be subject to federal income taxation and provided that the issuance thereof will not cause the interest on any other Bonds theretofore issued hereunder to be or become subject to federal income taxation. The covenants set forth in paragraphs (A), (B) and (C) above shall not apply to any Taxable Bonds.

ARTICLE VI DEFAULTS AND REMEDIES

SECTION 6.1 EVENTS OF DEFAULT. The following events shall each constitute an "Event of Default":

(A) Default shall be made in the payment of the principal of, Amortization Installment, redemption premium, if any, or interest on any Bond when due. In determining whether a payment default has occurred, no effect shall be given to payment made under a Bond Insurance Policy.

(B) There shall occur the dissolution or liquidation of the Board, or the filing by the Board of a voluntary petition in bankruptcy, or the commission by the Board of any act of bankruptcy, or adjudication of the Board as a bankrupt, or assignment by the Board for the benefit of its creditors, or appointment of a receiver for the Board, or the entry by the Board into an agreement of composition with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Board in any proceeding for its reorganization instituted under the provisions of the Federal Bankruptcy Act, as amended, or under any similar act in any jurisdiction which may now be in effect or hereafter enacted.

(C) The Board shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in the Resolution on the part of the Board to be performed, and such default shall continue for a period of 30 days after written notice of such default shall have been received from the Holders of not less than 25% of the aggregate principal amount of Bonds Outstanding or the Insurer of such amount of Bonds or any Credit Facility Provider. Notwithstanding the foregoing, the Board shall not be deemed in default hereunder if such default can be cured within a reasonable period of time, but not to exceed 60 days without the consent of the Holders of not less than 25% of the aggregate principal amount of Bonds Outstanding or the Insurer of such amount of Bonds or any Credit Facility Provider, and if the Board in good faith institutes curative action and diligently pursues such action until the default has been corrected.

SECTION 6.2 REMEDIES. Any Holder of Bonds issued under the provisions of the Resolution or any trustee or receiver acting for such Bondholders may either at law or in equity, by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights under the laws of the State, or granted and contained in the Resolution, and may enforce and compel the performance of all duties required by the Resolution or by any applicable statutes to be performed by the Board or by any officer thereof; provided, however, that no Holder, trustee or receiver shall have the right to declare the Bonds immediately due and payable.

The Holder or Holders of Bonds in an aggregate principal amount of not less than 25% of the Bonds then Outstanding may, by a duly executed certificate in writing, appoint a trustee for Holders of Bonds issued pursuant to the Resolution with authority to represent such Bondholders in any legal proceedings for the enforcement and protection of the rights of such Bondholders and such certificate shall be executed by such Bondholders or their duly authorized attorneys or representatives, and shall be filed in the office of the Superintendent. Notice of such appointment, together with evidence of the requisite signatures of the Holders of not less than 25% in aggregate principal amount of Bonds Outstanding and the trust instrument under which the trustee shall have agreed to serve shall be filed with the Board and the trustee and notice of appointment shall be given to all Holders of Bonds in the same manner as notices of redemption are given hereunder. After the appointment of the first trustee hereunder, no further trustees may be appointed; however, the Holders of a majority in aggregate principal

amount of all the Bonds then Outstanding may remove the trustee initially appointed and appoint a successor and subsequent successors at any time.

SECTION 6.3 DIRECTIONS TO TRUSTEE AS TO REMEDIAL PROCEEDINGS.

The Holders of a majority in principal amount of the Bonds then Outstanding (or any Insurer insuring any then Outstanding Bonds) have the right, by an instrument or concurrent instruments in writing executed and delivered to the trustee, to direct the method and place of conducting all remedial proceedings to be taken by the trustee hereunder, provided that such direction shall not be otherwise than in accordance with law or the provisions hereof, and that the trustee shall have the right to decline to follow any such direction which in the opinion of the trustee would be unjustly prejudicial to Holders of Bonds not parties to such direction.

SECTION 6.4 REMEDIES CUMULATIVE. No remedy herein conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

SECTION 6.5 WAIVER OF DEFAULT. No delay or omission of any Bondholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default, or an acquiescence therein; and every power and remedy given by this Section 6.5 to the Bondholders may be exercised from time to time, and as often as may be deemed expedient. No Event of Default may be waived without the consent of each Insurer, which has not failed to honor all its obligations under its bond insurance policy.

SECTION 6.6 APPLICATION OF MONEYS AFTER DEFAULT. If an Event of Default shall happen and shall not have been remedied, the Board or a trustee or receiver appointed for the purpose shall apply all Pledged Funds (except amounts in any Reserve Account subaccount which shall be applied to the payment of the Series of Bonds for which it was established) as follows and in the following order:

(A) To the payment of the reasonable and proper charges, expenses and liabilities of the trustee or receiver, Registrar and Paying Agent hereunder; and

(B) To the payment of the interest and principal or Redemption Price, if applicable, then due on the Bonds (provided such payments are made in accordance with applicable law), as follows:

(1) Unless the principal of all the Bonds shall have become due and payable, all such moneys shall be applied:

FIRST: to the payment to the Persons entitled thereto of all installments of interest then due, in the order of the maturity of such installments, and, if the

amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or preference;

SECOND: to the payment to the Persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due at maturity or upon mandatory redemption prior to maturity (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of Section 8.1 of the Resolution), in the order of their due dates, with interest upon such Bonds from the respective dates upon which they became due, and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment first of such interest, ratably according to the amount of such interest due on such date, and then to the payment of such principal, ratably according to the amount of such principal due on such date, to the Persons entitled thereto without any discrimination or preference; and

THIRD: to the payment of the Redemption Price of any Bonds called for optional redemption pursuant to the provisions of the Resolution.

(2) If the principal of all the Bonds shall have become due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, with interest thereon as aforesaid, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or preference.

SECTION 6.7 CONTROL BY INSURER. Upon the occurrence and continuance of an Event of Default, each Insurer, if such Insurer shall not have defaulted under its Bond Insurance Policy, shall be entitled to direct and control the enforcement of all rights and remedies with respect to the Bonds it shall insure, including any waiver of an Event of Default and it shall be considered the sole Holder of such Series of bonds for purposes of exercising remedies available hereunder. The Board shall provide each Credit Facility Provider immediate notice of any Event of Default described in Section 6.1(A) hereof and notice of any other Event of Default occurring hereunder within 30 days of the occurrence thereof.

**ARTICLE VII
SUPPLEMENTAL RESOLUTIONS**

SECTION 7.1 SUPPLEMENTAL RESOLUTION WITHOUT BONDHOLDERS' CONSENT. The Board, from time to time and at any time, may adopt such Supplemental Resolutions without the consent of the Bondholders (which Supplemental Resolution shall thereafter form a part hereof) for any of the following purposes:

(A) to cure any ambiguity or formal defect or omission or to correct any inconsistent provisions in the Resolution or to clarify any matters or questions arising hereunder;

(B) to grant to or confer upon the Bondholders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Bondholders;

(C) to add to the conditions, limitations and restrictions on the issuance of Bonds under the provisions of the Resolution other conditions, limitations and restrictions thereafter to be observed;

(D) To add to the covenants and agreements of the Board in the Resolution other covenants and agreements thereafter to be observed by the Board or to surrender any right or power herein reserved to or conferred upon the Board;

(E) to specify and determine the matters and things referred to in Sections 2.1, 2.2 or 2.9 hereof, and also any other matters and things relative to such Bonds which are not contrary to or inconsistent with the Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first delivery of such Bonds;

(F) to authorize Projects or to change or modify the description of any Project;

(G) to specify and determine matters necessary or desirable for the issuance of Capital Appreciation Bonds or Variable Rate Bonds;

(H) to provide for the establishment of a Reserve Account to additionally secure one or more Series of Bonds issued hereunder or to substitute a Reserve Fund Insurance Policy or a Reserve Fund Letter of Credit as permitted by Section 4.5(A)(4) hereof; or

(I) to provide for the establishment of a separate subaccount or subaccounts in the Reserve Account which shall independently secure one or more Series of Bonds issued hereunder.

(J) to make any other change that, in the opinion of the Board, would not materially adversely affect the security for the Bonds; provided the Board receives the written consent of the Insurer of any Bonds which are Outstanding at the time such Supplemental Resolution shall take effect.

SECTION 7.2 SUPPLEMENTAL RESOLUTION WITH BONDHOLDERS' AND INSURER'S CONSENT. Subject to the terms and provisions contained in this Section 7.2 and Sections 7.1 and 7.3 hereof, the Holder or Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained in the Resolution to the contrary notwithstanding, to consent to and approve the adoption of such Supplemental Resolution or Resolutions hereto as shall be deemed necessary or desirable by the Board for the purpose of supplementing, modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Resolution; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified Series or maturity remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section 7.2. Any Supplemental Resolution which is adopted in accordance with the provisions of this Section 7.2 shall also require the written consent of the Insurer of any Bonds which are Outstanding at the time such Supplemental Resolution shall take effect. No Supplemental Resolution may be approved or adopted which shall permit or require (A) an extension of the maturity of the principal of or the payment of the interest on any Bond issued hereunder, (B) reduction in the principal amount of any Bond or the Redemption Price or the rate of interest thereon, (C) the creation of a lien upon or a pledge of other than the lien and pledge created by the Resolution which adversely affects any Bondholders, (D) a preference or priority of any Bond or Bonds over any other Bond or Bonds (except as to the establishment of a Reserve Account), or (E) a reduction in the aggregate principal amount of the Bonds required for consent to such Supplemental Resolution. Nothing herein contained, however, shall be construed as making necessary the approval by Bondholders or the Insurer of the adoption of any Supplemental Resolution as authorized in Section 7.1 hereof.

If at any time the Board shall determine that it is necessary or desirable to adopt any Supplemental Resolution pursuant to this Section 7.2, the Superintendent shall cause the Registrar to give notice of the proposed adoption of such Supplemental Resolution and the form of consent to such adoption to be mailed, postage prepaid, to all Bondholders at their addresses as they appear on the registration books and to all Insurers of Bonds Outstanding. Such notice shall briefly set forth the nature of the proposed Supplemental Resolution and shall state that copies thereof are on file at the offices of the Superintendent and the Registrar for inspection by all Bondholders. The Board shall not, however, be subject to any liability to any Bondholder by reason of its failure to cause the notice required by this Section 7.2 to be mailed and any such failure shall not affect the validity of such Supplemental Resolution when consented to and approved as provided in this Section 7.2.

Whenever the Board shall deliver to the Superintendent an instrument or instruments in writing purporting to be executed by the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding, which instrument or instruments shall refer to the proposed Supplemental Resolution described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the Board may adopt such Supplemental Resolution in substantially such form, without liability or responsibility to any Holder of any Bond, whether or not such Holder shall have consented thereto.

If the Holders of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the adoption of such Supplemental Resolution shall have consented to and approved the adoption thereof as herein provided, no Holder of any Bond shall have any right to object to the adoption of such Supplemental Resolution, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the Board from adopting the same or from taking any action pursuant to the provisions thereof.

Upon the adoption of any Supplemental Resolution pursuant to the provisions of this Section 7.2, the Resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under the Resolution of the Board and all Holders of Bonds then Outstanding shall thereafter be determined, exercised and enforced in all respects under the provisions of the Resolution as so modified and amended.

SECTION 7.3 AMENDMENT WITH CONSENT OF INSURER ONLY. If all of the Bonds Outstanding hereunder are insured as to payment of principal and interest by an Insurer or Insurers, and the Bonds, at the time of the hereinafter described amendment, shall be rated by the rating agencies which shall have rated the Bonds at the time such Bonds were insured no lower than the ratings assigned thereto by such rating agencies on the date of being insured, the Board may adopt one or more Supplemental Resolutions amending all or any part of Articles I through VI hereof with the written consent of said Insurer or Insurers and the acknowledgment by said Insurer or Insurers that its insurance or guaranty policy will remain in full force and effect. The consent of the Holders of any Bonds shall not be necessary. The foregoing right of amendment, however, does not apply to any amendment to Section 5.9 hereof with respect to the exclusion, if applicable, of interest on said Bonds from gross income for purposes of federal income taxation nor may any such amendment deprive the Holders of any Bond of right to payment of the Bonds from, and their lien on the Pledged Funds with respect to all Bonds. Upon filing with the Superintendent of evidence of such consent of the Insurer or Insurers as aforesaid, the Board may adopt such Supplemental Resolution. After the adoption by the Board of such Supplemental Resolution, notice thereof shall be mailed in the same manner as notice of an amendment under Section 7.2 hereof.

**ARTICLE VIII
MISCELLANEOUS**

SECTION 8.1 DEFEASANCE.

(A) If (1) the Board shall pay or cause to be paid or there shall otherwise be paid to the Holders of any Series of Bonds the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Resolution and (2) all provisions regarding any amounts to be rebated to the United States government have been complied with and all amounts due the Insurer shall have been paid in full, then the pledge of the Pledged Funds with respect to all Bonds, all covenants, agreements and other obligations of the Board to the holders of such Bonds, shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Paying Agents shall pay over or deliver to the Board all money or securities held by them pursuant to the Resolution which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption.

(B) Any Bonds or interest installments appertaining thereto, whether at or prior to the maturity or redemption date of such Bonds, shall be deemed to have been paid within the meaning of this Section 8.1 if (1) in case any such Bonds are to be redeemed prior to the maturity thereof, there shall have been taken all action necessary to call such Bonds for redemption and notice of such redemption shall have been duly given or provision shall have been made for the giving of such notice, and (2) there shall have been deposited in irrevocable trust with a banking institution or trust company by or on behalf of the Board either moneys in an amount which shall be sufficient, or Refunding Securities verified by an independent certified public accountant to be in such amount that the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with such banking institution or trust company at the same time shall be sufficient, to pay the principal of or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be. Except as hereafter provided, neither the Refunding Securities nor any moneys so deposited with such banking institution or trust company nor any moneys received by such bank or trust company on account of principal of or Redemption Price, if applicable, or interest on said Refunding Securities shall be withdrawn or used for any purpose other than, and all such moneys shall be held in trust for and be applied to, the payment, when due, of the principal of or Redemption Price, if applicable, of the Bonds for the payment or redemption of which they were deposited and the interest accruing thereon to the date of maturity or redemption; provided, however, the Board may substitute new Refunding Securities and moneys for the deposited Refunding Securities and moneys if the new Refunding Securities and moneys are sufficient to pay the principal of or Redemption Price, if applicable, and interest on the refunded Bonds.

For purposes of determining whether Variable Rate Bonds shall be deemed to have been paid prior to the maturity or the redemption date thereof, as the case may be, by the deposit of moneys, or specified Refunding Securities and moneys, if any, in accordance with this Section 8.1, the interest to come due on such Variable Rate Bonds on or prior to the maturity or redemption date thereof, as the case may be, shall be calculated at the Maximum Interest Rate; provided, however, that if on any date, as a result of such Variable Rate Bonds having borne interest at less than the Maximum Interest Rate for any period, the total amount of moneys and specified Refunding Securities on deposit for the payment of interest on such Variable Rate Bonds is in excess of the total amount which would have been required to be deposited on such date in respect of such Variable Rate Bonds in order to satisfy this Section 8.1, such excess shall be paid to the Board free and clear of any trust, lien, pledge or assignment securing the Bonds or otherwise existing under the Resolution.

In the event the Bonds for which moneys are to be deposited for the payment thereof in accordance with this Section 8.1 are not by their terms subject to redemption within the next succeeding 60 days, the Board shall cause the Registrar to mail a notice to the Holders of such Bonds that the deposit required by this Section 8.1 of moneys or Refunding Securities has been made and said Bonds are deemed to be paid in accordance with the provisions of this Section 8.1 and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal of or Redemption Price, if applicable, and interest on said Bonds. Failure to provide said notice shall not affect the Bonds being deemed to have been paid in accordance with the provisions of this Section 8.1.

Nothing herein shall be deemed to require the Board to call any of the Outstanding Bonds for redemption prior to maturity pursuant to any applicable optional redemption provisions, or to impair the discretion of the Board in determining whether to exercise any such option for early redemption.

In the event that the principal of or Redemption Price, if applicable, and interest due on the Bonds shall be paid by an Insurer or Insurers, such Bonds shall remain Outstanding, shall not be defeased and shall not be considered paid by the Board, and the pledge of the Pledged Funds with respect to all Bonds, and all covenants, agreements and other obligations of the Board to the Bondholders shall continue to exist and such Insurer or Insurers shall be subrogated to the rights of such Bondholders.

SECTION 8.2 CAPITAL APPRECIATION BONDS. For the purposes of (A) receiving payment of the Redemption Price if a Capital Appreciation Bond is redeemed prior to maturity, or (B) receiving payment of a Capital Appreciation Bond if the principal of all Bonds becomes due and payable under the provisions of the Resolution, or (C) computing the amount of Bonds held by the Holder of a Capital Appreciation Bond in giving to the Board or any trustee or receiver appointed to represent the Bondholders any notice, consent, request or demand pursuant to the Resolution for any purpose whatsoever, the principal amount of a Capital Appreciation Bond shall be deemed to be its Accreted Value.

SECTION 8.3 SALE OF BONDS. The Bonds shall be issued and sold at public or private sale at one time or in installments from time to time and at such price or prices as shall be consistent with the provisions of the Act, the requirements of the Resolution and other applicable provisions of law.

SECTION 8.4 SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants, agreements or provisions of the Resolution shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements and provisions of the Resolution and shall in no way affect the validity of any of the other covenants, agreements or provisions hereof or of the Bonds issued hereunder.

SECTION 8.5 REPEAL OF INCONSISTENT RESOLUTIONS. All resolutions or parts thereof in conflict herewith are hereby superseded and repealed to the extent of such conflict.

SECTION 8.6 EFFECTIVE DATE. The Resolution shall take effect immediately upon its adoption.

DULY ADOPTED in Regular Session, this 21st day of April, 2015.

THE SCHOOL BOARD OF ESCAMBIA
COUNTY, FLORIDA

(SEAL)

By: _____
Chairman

ATTEST:

By: _____
Superintendent of Schools and Ex Officio
Secretary

Bryant Miller Olive

Attorneys at Law
101 North Monroe Street
Suite 900
Tallahassee, FL 32301
Tel 850.222.8611
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April 8, 2015

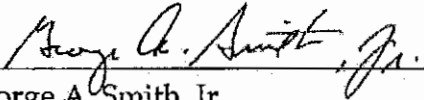
The School Board of Escambia County, Florida
75 North Pace Boulevard
Pensacola, Florida 32505

Re: Escambia County School Board Sales Tax Revenue Bonds, Series 2015

Ladies and Gentlemen:

The proposed resolution (attached hereto) approving the issuance of the Sales Tax Revenue Bonds, Series 2015, is approved as to its legal content by the undersigned, as Bond Counsel for the School Board.

Sincerely,


George A. Smith, Jr.
Bond Counsel for the School Board

GS/mel
Enclosure