

# **AGENDA**

## **Bay Education Facilities Finance Corporation Board Meeting December 17, 2019**

**BOARD ROOM  
Immediately Following Board Meeting**

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- I. APPROVAL OF AGENDA**
- II. Nominate and Vote on Officers: President, Vice President, and Secretary/Treasurer**
- III. Resolution authorizing necessary action for the School Board to issue the Series 2019 Certificates of Participation to finance Jinks Middle School Gymnasium, Bay High School Classroom Wing, and renovations to certain other educational facilities.**

RESOLUTION NO. 19-\_\_\_\_\_

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BAY COUNTY EDUCATIONAL FACILITIES FINANCE CORPORATION, APPROVING ADDITIONAL LEASES TO THE MASTER-LEASE-PURCHASE AGREEMENT BETWEEN THE SCHOOL BOARD OF BAY COUNTY, FLORIDA AND THE BAY COUNTY EDUCATIONAL FACILITIES FINANCE CORPORATION; AUTHORIZING THE FINANCING OF CERTAIN CAPITAL PROJECTS PURSUANT TO THE MASTER-LEASE PURCHASE AGREEMENT; AUTHORIZING THE EXECUTION AND DELIVERY OF A SERIES 2019 SUPPLEMENTAL TRUST AGREEMENT WITH HANCOCK BANK, A TRADE NAME OF WHITNEY BANK, A MISSISSIPPI CHARTER BANK, SUCCESSOR TRUSTEE, PURSUANT TO WHICH THE TRUSTEE WILL EXECUTE, AUTHENTICATE AND DELIVER NOT TO EXCEED \$35,000,000 PRINCIPAL AMOUNT OF CERTIFICATES OF PARTICIPATION (SCHOOL BOARD OF BAY COUNTY, FLORIDA MASTER LEASE PROGRAM, SERIES 2019), EVIDENCING AN UNDIVIDED PROPORTIONATE INTEREST OF OWNERS THEREOF IN BASIC RENT PAYMENTS TO BE MADE UNDER A MASTER LEASE-PURCHASE AGREEMENT BY THE SCHOOL BOARD OF BAY COUNTY, FLORIDA; AUTHORIZING THE EXECUTION AND DELIVERY OF LEASE SCHEDULE NO. 2019 TO THE MASTER LEASE-PURCHASE AGREEMENT BETWEEN THE SCHOOL BOARD OF BAY COUNTY, FLORIDA AND THE BAY COUNTY EDUCATIONAL FACILITIES FINANCE CORPORATION; AUTHORIZING THE EXECUTION AND DELIVERY OF SERIES 2019 GROUND LEASE AGREEMENT; AUTHORIZING THE EXECUTION AND DELIVERY OF SERIES 2019 ASSIGNMENT AGREEMENTS; APPROVING A NEGOTIATED SALE OF THE SERIES 2019 CERTIFICATES TO PNC BANK, NATIONAL ASSOCIATION, UPON MEETING CERTAIN CONDITIONS SPECIFIED HEREIN; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN OTHER CONTRACTS RELATED THERETO; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE BAY COUNTY EDUCATIONAL FACILITIES FINANCE CORPORATION:

**SECTION 1. DEFINITIONS.** All capitalized terms used in this resolution and not otherwise defined herein have the meanings set forth in the Master Trust Agreement. The following terms shall have the following meanings herein, unless the text otherwise expressly requires. Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations.

"Act" shall mean Chapter 1001 through 1013, Florida Statutes, and other applicable provisions of law.

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

"Board of Directors" means the Board of Directors of the Corporation.

"Corporation" means the Bay County Educational Facilities Finance Corporation, a Florida not-for-profit corporation.

"Lease Agreement" means the Master Lease-Purchase Agreement, dated as of November 1, 1994, between the Corporation and the Board.

"Lease Schedule No. 2019" means Lease Schedule No. 2019 to the Lease Agreement, between the Board and the Corporation, reflecting the terms and provisions of the Series 2019 Certificates.

"Master Trust Agreement" means the Master Trust Agreement, dated as of November 1, 1994, among the Corporation, the Board and the Trustee.

"President" means the President of the Corporation and, in his or her absence or unavailability, the Vice-President or such other person as may be duly authorized to act on his or her behalf.

"Purchaser" means PNC Bank, National Association, and its successors and assigns, as the person in whose name ownership of the Series 2019 Certificates is shown on the registration books of the Trustee.

"Secretary" means the Secretary of the Corporation and, in his or her absence or unavailability, any Assistant Secretary or such other person as may be duly authorized to act on his or her behalf.

"Series 2019 Assignment Agreement" means the Series 2019 Assignment Agreement relating to the Series 2019 Certificates, between the Corporation and the Trustee.

"Series 2019 Assignment of Ground Lease" means the Series 2019 Assignment of Ground Lease relating to the Series 2019 Certificates, between the Corporation and the Trustee.

"Series 2019 Certificates" means the Certificates of Participation (School Board of Bay County, Florida Master Lease Program, Series 2019), evidencing an undivided proportionate interest of Owners thereof in Basic Rent Payments to be made under a Master Lease-Purchase Agreement by the School Board of Bay County, Florida.

"Series 2019 Ground Lease Agreement" means the Series 2019 Ground Lease Agreement by and between the Board and the Corporation, as amended and supplemented, and relating to the Series 2019 Project.

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

"Series 2019 Project" means the educational facilities in Bay County, Florida financed with the proceeds of the Series 2019 Certificates, as the same may be amended or modified from time to time, initially expected to include Jinks Middle School Gymnasium, Bay High School Classroom Wing, and renovations to certain other educational facilities.

"Series 2019 Certificates" means the not to exceed \$35,000,000 Refunding Certificates of Participation (School Board of Bay County, Florida Master Lease Program, Series 2019), Evidencing an Undivided Proportionate Interest of Owners thereof in Basic Rent Payments to be made under a Master Lease-Purchase Agreement by the School Board of Bay County, Florida, to be executed, authenticated and delivered by the Trustee under the Master Trust Agreement and the Series 2019 Supplemental Trust Agreement.

"Series 2019 Supplemental Trust Agreement" means the Series 2019 Supplemental Trust Agreement, by and among the Corporation, the Board and the Trustee and relating to the Series 2019 Certificates.

"Term Sheet" means the Term Sheet, dated December 10, 2019, from the Purchaser to the Board for the purchase of the Series 2019 Certificates, attached hereto as Exhibit A.

"Trustee" means Hancock Bank, a trade name of Whitney Bank, a Mississippi Charter Bank, Orlando, Florida, successor to The Bank of New York Trust Company, N.A., successor to NationsBank of Florida, N.A., and its successors, agents or assigns.

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

(a) The Corporation, a Florida "nonprofit educational organization" within the meaning of Section 1013.15(2)(b), Florida Statutes, is authorized by its Articles of Incorporation and Bylaws to enter into leases and lease-purchase agreements to facilitate the financing of the

acquisition, construction and equipment of educational facilities and sites on behalf of the Board.

(b) The Board has established a master lease-purchase program for the lease-purchase financing of various projects in accordance with the terms of the Lease Agreement and Master Trust Agreement and in connection therewith the Board now desires to execute and deliver the Series 2019 Lease Agreement pursuant to which the Board will lease purchase the Series 2019 Project from the Corporation.

(c) The Board will cause Series 2019 Certificates to be executed, authenticated and delivered by the Trustee in connection with the Board's leasing of the Series 2019 Project in accordance with the Series 2019 Supplemental Trust Agreement.

(d) It is in the best interests of the Corporation to enter the Series 2019 Lease Agreement to finance the Series 2019 Project with the proceeds of the Series 2019 Certificates.

(e) In therewith, the Corporation agrees to enter into Lease Schedule No. 2019 whereby the Board will agree to make Basic Rent Payments sufficient to pay the principal of and interest on the Series 2019 Certificates.

(f) The Corporation and the Board are authorized and empowered by the Act to enter into transactions such as those contemplated by this Resolution, the Series 2019 Lease Agreement, the Master Trust Agreement, the Series 2019 Supplemental Trust Agreement, the Series 2019 Ground Lease Agreement, the Series 2019 Assignment Agreement, and the Series 2019 Assignment of Ground Lease, and to fully perform its obligations thereunder.

(g) Due to the recent volatility in the municipal bond market and the complexity of the transactions relating to the Series 2019 Certificates, including the purposes thereof, that it is in the best interests of the Corporation that the Series 2019 Certificates be sold by a negotiated sale, allowing market entry at the most advantageous time, rather than at a specified advertised date, thereby obtaining the best possible price and interest rate for the Series 2019 Certificates.

(h) The Corporation has been advised by the Board's Financial Advisor as to the market appropriateness of the Term Sheet in light of current market levels and conditions.

(i) The Board will receive prior to the sale of any of the Series 2019 Certificates, disclosure and truth-in-bonding statements as required by Section 218.385, Florida Statutes.

(j) The Series 2019 Certificates shall be secured solely as provided in the Master Trust Agreement, the Series 2019 Supplemental Trust Agreement, the Series 2019 Lease Agreement, and the Series 2019 Ground Lease Agreement, it being understood that neither the Series 2019 Certificates nor the interest represented thereby shall be or constitute a general

obligation of the Corporation, the District, the School Board, Bay County, Florida or the State of Florida, or any political subdivision or agency thereof, a pledge of the faith and credit of the Corporation, the District, the School Board, Bay County, Florida or the State of Florida, or any political subdivision or agency thereof, or a lien upon any property of or located within the boundaries of the District.

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

**SECTION 4. LEASE OF PREMISES.** The land constituting the Premises identified in Exhibit A attached to the Series 2019 Ground Lease Agreement and made a part hereof is hereby approved and affirmed for leasing from the Board as part of the Financing Program in accordance with the terms and provisions of the Series 2019 Ground Lease Agreement.

**SECTION 5. AUTHORIZATION OF LEASE-PURCHASE OF THE SERIES 2019 PROJECT.** The Corporation hereby authorizes and affirms the lease purchase of the Series 2019 Project in accordance with the terms of the Series 2019 Lease Agreement, and hereby authorizes the financing of the Series 2019 Project in accordance with the terms of the Series 2019 Lease Agreement.

**SECTION 6. APPROVAL OF LEASE SCHEDULE NO. 2019.** The Corporation hereby authorizes and directs the President to execute Lease Schedule No. 2019, and the Secretary to attest the same under the seal of the Corporation, and to deliver Lease Schedule No. 2019 to the Board for its execution. Lease Schedule No. 2019 shall be in substantially the form attached hereto as Exhibit B, with such changes, amendments, modifications, omissions and additions as may be approved by such President and in any event, including those changes necessary to reflect the final terms and details of the Series 2019 Certificates, including, without limitation, the schedule of Basic Rent Payments. Execution by the President of Lease Schedule No. 2019 shall be deemed to be conclusive evidence of approval of such changes. The authorization to execute and deliver the Lease Schedule No. 2019 is expressly conditioned upon compliance with the terms and conditions set forth herein and in the Term Sheet for the execution, authentication and delivery of the Series 2019 Certificates.

**SECTION 7. APPROVAL OF SERIES 2019 SUPPLEMENTAL TRUST AGREEMENT.** The Corporation hereby authorizes and directs the President to execute the Series 2019 Supplemental Trust Agreement, and the Secretary to attest the same under the seal of the Corporation and to deliver the Series 2019 Supplemental Trust Agreement to the Board and the Trustee for their execution. The Series 2019 Supplemental Trust Agreement, shall be in substantially the form attached hereto as Exhibit C, with such changes, amendments, modifications, omissions and additions as may be approved by the President. Execution by the President of the Series 2019 Supplemental Trust Agreement, shall be deemed to be conclusive evidence of approval of such changes. The Corporation hereby approves the terms of the Series

2019 Certificates as provided in the Series 2019 Supplemental Trust Agreement. The authorization to execute and deliver the Series 2019 Supplemental Trust Agreement is expressly conditioned upon compliance with the terms and conditions set forth herein and in the Term Sheet for the execution, authentication and delivery of the Series 2019 Certificates.

**SECTION 8. APPROVAL OF SERIES 2019 GROUND LEASE AGREEMENT.** The Corporation hereby authorizes and directs the President to execute the Series 2019 Ground Lease Agreement, and the Secretary to attest the same under the seal of the Corporation and to deliver the Series 2019 Ground Lease Agreement to the Board and the Trustee for their execution. The Series 2019 Ground Lease Agreement, shall be in substantially the form attached hereto as Exhibit D, with such changes, amendments, modifications, omissions and additions as may be approved by the President. Execution by the President of the Series 2019 Ground Lease Agreement, shall be deemed to be conclusive evidence of approval of such changes. The Corporation hereby approves the terms of the Series 2019 Ground Lease Agreement. The authorization to execute and deliver the Series 2019 Ground Lease Agreement is expressly conditioned upon compliance with the terms and conditions set forth herein and in the Term Sheet for the execution, authentication and delivery of the Series 2019 Certificates.

**SECTION 9. APPROVAL OF SERIES 2019 ASSIGNMENT AGREEMENT.** The Corporation hereby authorizes and directs the President to execute the Series 2019 Assignment Agreement, and the Secretary to attest the same under the seal of the Corporation and to deliver the Series 2019 Assignment Agreement to the Trustee for its execution. The Series 2019 Assignment Agreement, shall be in substantially the form attached hereto as Exhibit E, with such changes, amendments, modifications, omissions and additions as may be approved by the President. Execution by the President of the Series 2019 Assignment Agreement, shall be deemed to be conclusive evidence of approval of such changes. The Corporation hereby approves the terms of the Series 2019 Assignment Agreement. The authorization to execute and deliver the Series 2019 Assignment Agreement is expressly conditioned upon compliance with the terms and conditions set forth herein and in the Term Sheet for the execution, authentication and delivery of the Series 2019 Certificates.

**SECTION 10. APPROVAL OF SERIES 2019 ASSIGNMENT OF GROUND LEASE.** The Corporation hereby authorizes and directs the President to execute the Series 2019 Assignment of Ground Lease, and the Secretary to attest the same under the seal of the Corporation and to deliver the Series 2019 Assignment of Ground Lease to the Trustee for its execution. The Series 2019 Assignment of Ground Lease, shall be in substantially the form attached hereto as Exhibit F, with such changes, amendments, modifications, omissions and additions as may be approved by the President. Execution by the President of the Series 2019 Assignment of Ground Lease, shall be deemed to be conclusive evidence of approval of such changes. The Corporation hereby approves the terms of the Series 2019 Assignment of Ground Lease. The authorization to execute and deliver the Series 2019 Assignment of Ground Lease is expressly conditioned upon compliance with the terms and conditions set forth herein and in the Term Sheet for the execution, authentication and delivery of the Series 2019 Certificates.

**SECTION 11. AUTHORIZATION OF EXECUTION AND DELIVERY OF REQUEST AND AUTHORIZATION CERTIFICATE.** Subject to the provisions of Section 12 hereof, the Corporation hereby authorizes and directs the President to execute and deliver a Request and Authorization Certificate substantially in the form attached to the Trust Agreement as Exhibit C, authorizing the Trustee to execute and deliver not in excess of \$35,000,000 principal amount of Series 2019 Certificates and containing such other details as shall be necessary to conform such Request and Authorization Certificate to the final terms and details of the Series 2019 Certificates as set forth in the Lease Schedule No. 2019, the Series 2019 Supplemental Trust Agreement and the Term Sheet.

**SECTION 12. AUTHORIZATIONS SUBJECT TO CONDITIONS SUBSEQUENT.** The authorizations set forth in Section 3 through 11 hereof with respect to the lease-purchase of the Series 2019 Project and the execution and delivery of the Lease Schedule No. 2019 and the Series 2019 Supplemental Trust Agreement are subject in all respects to satisfaction of the requirements set forth in Section 8 of the Board resolution of even date herewith and relating to the issuance of the Series 2019 Certificates. Execution and delivery of said documents by the Chairman or Vice Chairman and Secretary of the Board shall be deemed conclusive evidence of the satisfaction of the requirements set forth in Section 8 of the Board resolution and this Section 12.

**SECTION 13. TRUSTEE.** Hancock Bank, a trade name of Whitney Bank, a Mississippi Charter Bank, and its successors, agents or assigns, as successor Trustee, is hereby confirmed as Trustee in connection with the Series 2019 Certificates.

**SECTION 14. GENERAL AUTHORITY.** The members of the Board of Directors, the Secretary and the officers, attorneys and other agents or employees of the Corporation are hereby authorized to do all acts and things required of them by this Resolution or desirable or consistent with the requirements of this Resolution, the Series 2019 Lease Agreement, the Master Trust Agreement, the Series 2019 Supplemental Trust Agreement, the Series 2019 Ground Lease Agreement, the Series 2019 Assignment Agreement, or the Series 2019 Assignment of Ground Lease, for the full punctual and complete performance of all the terms, covenants and agreements contained herein or therein, and each member, employee, attorney and officer of the Corporation and the Secretary is hereby authorized and directed to execute and deliver any and all papers and instruments and to be and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated hereunder.



**SECTION 15. SEVERABILITY AND INVALID PROVISIONS.** If any one or more of the covenants, agreements or provisions herein contained shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way affect the validity of any of the other provisions hereof.

**SECTION 16. EFFECTIVE DATE.** This Resolution shall become effective immediately upon its adoption.

**ADOPTED** at a special meeting this 17th day of December, 2019.

**BAY COUNTY EDUCATIONAL FACILITIES  
FINANCE CORPORATION**

[SEAL]

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

ATTEST:

\_\_\_\_\_  
Secretary

**EXHIBIT A**  
**TERM SHEET**



**PNC PUBLIC FINANCE**  
**1927 1<sup>ST</sup> AVENUE NORTH, SECOND FLOOR**  
**BIRMINGHAM, ALABAMA 35203**

December 10, 2019

Jim Loyed  
Chief Financial Officer  
School District of Bay County, Florida

RE: School Board of Bay County, Florida's Certificate of Participation, Series 2019

Dear Jim:

Attached you will find the summary of terms and conditions to provide the Board with up to a \$30,250,000 tax-exempt loan for reconstruction of the gymnasium at Jinks Middle School, construction of a new wing at Bay High School, additional capital improvements within the District, and to pay the costs of issuance associated with the 2019 COP. PNC Bank, NA ("PNC Bank") is excited for the opportunity to assist the Board in providing this proposal.

PNC brings a team-oriented approach to each financing, offering deep industry experience and sound technical expertise. Furthermore, we believe in developing full relationships with our clients. We work hard to comprehensively understand our clients' unique financial needs, and leverage the complete capabilities of the Bank to respond with thorough, thoughtful solutions.

PNC is pleased to be able to support the District with this credit financing solution. If you have any questions or need any additional information, please do not hesitate to contact me at (205) 583-3725 or via email at [jessica.thomas@pnc.com](mailto:jessica.thomas@pnc.com).

Sincerely,

A handwritten signature in black ink that reads "Jessica Thomas".

Jessica Thomas  
Assistant Vice President  
PNC Bank – Public Finance  
(205) 583-3725

A handwritten signature in black ink that reads "J. Michael Olliff".

J. Michael Olliff  
Senior Vice President  
PNC Bank – Public Finance  
(727) 742-5342

**PNC BANK, NATIONAL ASSOCIATION**  
**Summary of Terms and Conditions**  
**December 10, 2019**

**I. PARTIES**

**BORROWER:** School Board of Bay County, Florida (the “Borrower” or “Board”)

**BANK:** PNC Bank, National Association (the “Bank”)

**II. CREDIT FACILITY, SECURITY AND FINANCING DOCUMENTS**

**CREDIT FACILITY:** Fully-funded term loan in the form of a Certificate of Participation (“COPs”).

**PURPOSE:** The proceeds are to finance 1) reconstruction of a gymnasium at Jinks Middle School, 2) construction of a new wing at Bay High School, 3) additional capital improvements within the District, and 4) to pay costs of issuance associated with the 2019 COP

**TOTAL AMOUNT  
ADVANCED:** Not to exceed \$30,250,000.

**SECURITY:** The Series 2019 COPs shall be secured solely as provided in the Master Trust Agreement, Ground Lease, the Series 2019 Supplemental Trust Agreement and the Series 2019 Lease Agreement. Annual appropriation through the District’s Master Lease Program will be on an “all or none” basis.

**CLOSING DATE:** On or about **December 19, 2019**. The terms within this document will not expire until **December 20, 2019**.

**REPAYMENT/  
AMORTIZATION:** Principal will be due annually commencing on July 1<sup>st</sup>, 2021 and on each July 1<sup>st</sup> thereafter through 2030 and substantially similar to the amortization schedule below.

<b>Maturity (July 1)</b>	<b>Principal Amount</b>
2021	\$2,425,000
2022	2,820,000
2023	2,880,000
2024	2,945,000
2025	3,010,000
2026	3,070,000
2027	3,140,000
2028	3,205,000
2029	3,275,000
2030	3,345,000

**FINANCING  
DOCUMENTATION:** Documents in form and substance satisfactory to the Bank must be executed and delivered containing representations, warranties, covenants, indemnities, conditions



to lending, events of default and other provisions as are appropriate in the Bank's opinion and specified by the Bank.

The Bank has reviewed the draft Certificate Resolution, the only material change requested is the addition of a pledge of the Series 2019 Subaccount of the Project Fund.

**III. INTEREST RATES AND OTHER KEY PROVISIONS:**

**INTEREST RATES: 1.99%**

The rate is tax-exempt. Computations of interest shall be calculated on a 30/360 day basis. Interest shall be due on January 1, 2021 and semi-annually thereafter on July 1<sup>st</sup> and January 1<sup>st</sup>.

**TAX STATUS:** Interest on the Warrant shall be excludable from gross income for federal income tax purposes. The Issuer shall take all steps necessary to maintain such tax exempt status. The Bank shall be provided an opinion of tax counsel satisfactory to the Bank which concludes that interest on the Warrant is excludable from gross income for federal income tax purposes.

**EVENT OF TAXABILITY:** If an event of taxability occurs, in accordance with the language required in the RFP dated November 25, 2019, due to action (or inaction) caused by the Board, the interest rate charged on the outstanding principal balance of the Loan shall, effective as of and after the date of the occurrence of such event of taxability, be increased to, calculated and recalculated at the taxable equivalent rate from the date of the determination of taxability.

**DEFAULT RATE:** Upon the occurrence and during the continuation of an Event of Default, all amounts due shall accrue at the PNC Base Rate plus 3.0%.

The PNC Base Rate equals the greatest of (i) the PNC Prime Rate; (ii) the Federal Funds Open Rate plus 0.5%; (iii) the Daily LIBOR Rate plus 1.00%.

**OPTIONAL REDEMPTION/  
PREPAYMENT:** Upon at least thirty (30) business days prior written notice to the holder, the Borrower has the right to prepay all of the outstanding principal and interest hereunder. Notwithstanding anything contained herein to the contrary, upon any prepayment by or on behalf of the Borrower (whether voluntary, on default or otherwise), the Registered Owner may require, if it so elects, the Borrower to pay the Registered Owner as compensation for the costs of being prepaid an amount equal to the Cost of Prepayment. "Cost of Prepayment" means an amount equal to the present value, if positive, of the product of (a) the difference between (i) the yield, on the beginning date of the applicable interest period, of a U.S. Treasury obligation with a maturity similar to the applicable interest period, minus (ii) the yield on the prepayment date, of a U.S. Treasury obligation with a maturity similar to the remaining maturity of the applicable interest period, and (b) the principal amount to

be prepaid, and (c) the number of years, including fractional years, from the prepayment date to the end of the applicable interest period. The yield on any U.S. Treasury obligation shall be determined by reference to Federal Reserve Statistical Release H.15 (519) "Selected Interest Rates." For purposes of making present value calculations, the yield to maturity of a similar maturity U.S. Treasury obligation on the prepayment date shall be deemed the discount rate. The Costs of Prepayment shall also apply to any payments made after acceleration of the maturity of the Credit Facility.

**IV. OTHER FEES AND EXPENSES:**

**UP-FRONT FEE:** Waived.

**COSTS AND EXPENSES:** Bank Counsel, Jodie Smith with Maynard Copper & Gale, will act in a review capacity only. Bank Counsel legal fees will be paid directly by the Borrower and will not exceed \$7,500.

**V. REPORTING REQUIREMENTS:**

1. Annual audited financial statements of the Borrower due within 270 days of fiscal year end, unless such audited financial statements are prepared by the Auditor General of the State of Florida, in which case, such audited financial statements shall be furnished to the purchaser within 15 days of its receipt by the Board,
2. Other customary information requested by the Bank from time to time.

**VII. CONDITIONS PRECEDENT TO CLOSING:**

Including, but not limited to, the following:

1. Satisfactory completion of due diligence regarding the Borrower and any Security,
2. Execution of all documentation as may be requested by the Bank relating to the Credit Facility in form and substance satisfactory to the Bank and its counsel,
3. Payment of all applicable fees and expenses by the Borrower,
4. Receipt of an opinion of counsel to the Borrower and any bond counsel, in form and substance satisfactory to the Bank and including without limitation, due authorization, enforceability, compliance with all applicable laws, and the tax-exempt status of the Credit Facility,
5. Receipt and satisfactory review by the Bank of all applicable resolutions

and evidence of authority

**VIII. EVENTS OF DEFAULT:**

Customary for transactions of similar size and type.

**IX. CHOICE OF LAW:**

**GOVERNING LAW:** Florida.

**NO ADVISORY OR FIDUCIARY ROLE:** The Borrower acknowledges and agrees that: (i) the Bank has not assumed any advisory or fiduciary responsibility to the Borrower with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Bank or any of its affiliates has provided other services or is currently providing other services to the Borrower on other matters); (ii) the only obligations the Bank has to the Borrower with respect to the transaction contemplated hereby are expressly set forth in this term sheet; and (iii) the Borrower has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.

**CONFLICTS OF INTEREST:** The Bank is no aware of any current or potential conflicts of interest that would impact our ability to meet the Board’s needs.

Sincerely,

PNC BANK, NATIONAL ASSOCIATION



Jessica Thomas  
Assistant Vice President  
PNC Bank – Public Finance

Agreed and accepted with the intent to be legally bound:

**The School Board of Bay County, Florida**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**EXHIBIT B**

**FORM OF LEASE SCHEDULE NO. 2019**



Schedule No. 2019  
to the  
Master Lease-Purchase Agreement,  
dated as of November 1, 1994,  
between  
Bay County Educational Facilities Finance Corporation (the "Corporation")  
and  
School Board of Bay County, Florida (the "Board")

THIS LEASE SCHEDULE NO. 2019 (the "Lease Schedule") is hereby entered into under and pursuant to that certain Master Lease-Purchase Agreement, dated as of November 1, 1994, as amended (the "Lease Agreement"), pursuant to which the Corporation has agreed to lease-purchase to the Board and the Board has agreed to lease-purchase from the Corporation, subject to the terms and conditions of the Lease Agreement and the Series 2019 Project as herein described. All defined terms not otherwise defined herein shall have the respective meanings therefor set forth in the Lease Agreement. Reference to "Lease Agreement" herein shall include the terms of this Lease Schedule.

1. Series 2019 Project. The leased property, which is described in Section 6 of this Lease Schedule (the "Series 2019 Project"), has a Maximum Cost of \$30,250,000, shall be acquired, constructed, and installed, and lease-purchased by the Board from the Corporation pursuant to the terms of the Lease Agreement.

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

(a) The Commencement Date for the Series 2019 Project is December 19, 2019.

(b) The Initial Lease Termination Date of the lease of the Series 2019 Project is June 30, 2020. The Maximum Lease Term commenced on the Commencement Date thereof and shall finally terminate on June 30, 2030, or the date on which the principal of, prepayment premium, if any, and interest thereon to the due date thereof of Series 2019 Certificates have been made pursuant to Section 12.01 of the Trust Agreement and any Supplemental Rent arising under the Lease Agreement shall have been paid or provided for.

(c) The Completion Date for the Series 2019 Project is expected to be \_\_\_\_\_.

(d) The Replacement Amount is \$30,250,000.

3. Certificates of Participation.

(a) The Certificates of Participation issued under the Trust Agreement, as amended and supplemented, and related to this Lease Schedule are identified as the

"Certificates of Participation (School Board of Bay County, Florida Master Lease Program, Series 2019)" (the "Series 2019 Certificates"), Evidencing an Undivided Proportionate Interest of Owners thereof in Basic Rent Payments to be made under a Master Lease-Purchase Agreement by the Board.

(b) There is no Credit Enhancer for the Series 2019 Certificates.

(c) No Reserve Account is to be established for the Series 2019 Certificates.

(d) The Optional Prepayment Dates for the Series 2019 Certificates is described in the Series 2019 Supplemental Trust Agreement.

(e) The Closure Date of the 2019 Subaccount of the Project Account established for the Series 2019 Project, for purposes of Section 6.03(g) of the Trust Agreement, shall be \_\_\_\_\_.

(f) The Prepayment Amount relating to the Series 2019 Subaccount of the Project Account, for purposes of Section 6.03(g) of the Trust Agreement shall not be applicable.

(g) For purposes of Section 5.08(c) of the Lease Agreement, the portion of the Net Proceeds relating to the Series 2019 Project allocable to the Series 2019 Certificates shall be applied in accordance with Section 12 below.

4. Basic Rent. The Basic Rent payable by the Board to the Corporation with respect to the Series 2019 Project under the Lease Agreement is described in Schedule A attached to this 2019 Schedule.

5. Use of Certificate Proceeds.

The proceeds of the Series 2019 Certificates shall be disbursed as follows:

Deposit to Series 2019 Subaccount of Costs of Issuance Account established for Series 2019 Certificates

Deposit to Series 2019 Subaccount of Project Account established for Series 2019 Certificates

Total Proceeds

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

7. Designated Equipment. A description of the Designated Equipment for the Series 2019 Project is attached hereto as part of Schedule B.

8. The Land. A description of the land is attached hereto as Schedule C.

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

10. Assignment of Lease Agreement. The Corporation hereby acknowledges that all Lease Payments and its rights, title, and interest in this Lease Schedule have been heretofore assigned to the Trustee pursuant to the Series 2019 Assignment Agreement.

11. Property Insurance. With respect to the Series 2019 Certificates, notwithstanding the provisions set forth in Section 5.05 of the Master Lease Agreement related to property insurance coverage, the Board shall purchase and maintain property insurance coverage in amounts and with deductibles and co-insurance provisions as, in the sole judgment of the Board are adequate to protect it and the Projects; but, in no event in an amount less than the amount certified as reasonable by the Division of Emergency Management of the Office of Insurance Regulation of the State of Florida in order to remain qualified for the Federal disaster relief programs.

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

IN WITNESS WHEREOF, each of the parties hereto have caused this Lease Schedule No. 2019 to be executed by their proper corporate officers, all as of the \_\_ day of December, 2019.

BAY COUNTY EDUCATIONAL FACILITIES  
FINANCE CORPORATION

(SEAL)

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

President

Attest: \_\_\_\_\_

William V. Husfelt, III,  
Secretary

THE SCHOOL BOARD OF BAY COUNTY,  
FLORIDA

(SEAL)

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

Chairperson

Attest: \_\_\_\_\_

William V. Husfelt, III,  
Secretary-Superintendent

**SCHEDULE A**

**BASIC RENT SCHEDULE**

**SCHEDULE B**

**PROJECT DESCRIPTION, PROJECT BUDGET,  
PROJECT SCHEDULE AND DESIGNATED EQUIPMENT**

The Series 2019 Project consists of the construction and installation of certain educational facilities in the District. Under certain conditions set forth in the Series 2019 Lease Agreement, the School Board may substitute components of the Series 2019 Project and modify Plans and Specifications therefor. The following is a general description of facilities comprising the principal components of the Series 2019 Project:

Jinks Middle School Gymnasium

Construction  
A/E fee & Administrative Costs  
Other Fees:  
Furniture/Equipment :  
Total

The Designated Equipment is: \_\_\_\_\_

Bay High School Classroom Wing

Construction  
A/E Fee and Administrative Costs:  
Other Fees:  
Furniture/Equipment:  
Total

The Designated Equipment is: \_\_\_\_\_

[Chairs, desk computers, T.V. cabinets, and telecommunication equipment.]

Additional Designated Equipment:

SCHEDULE C

LEGAL DESCRIPTION

## SCHEDULE D

### DOCUMENTS REQUIRED BY SECTION 3.01 OF THE LEASE AGREEMENT

(i) A certified copy of the resolutions duly adopted by the Board authorizing the lease-purchase of the Project described in the Lease Schedule No. 2019, and the execution and delivery of such Lease Schedule No. 2019 and the Series 2019 Supplemental Trust Agreement relating to the Series 2019 Certificates;

(ii) A certificate of the Chairman of the Board reaffirming the Board's covenants, representations and warranties made hereunder, except as modified by the Lease Schedule No. 2019, and stating no default has occurred and is continuing under the Lease Agreement;

(iii) An executed copy of the Series 2019 Ground Lease Agreement relating to the Series 2019 Project described in the Lease Schedule No. 2019;

(iv) An executed copy of the Series 2019 Supplemental Trust Agreement relating to the issuance of the Series 2019 Certificates which shall finance the Series 2019 Project described in the Lease Schedule No. 2019; and

(v) An executed copy of a Memorandum of Lease with respect to the Series 2019 Project described in the Lease Schedule No. 2019.



**EXHIBIT C**

**FORM OF SERIES 2019 SUPPLEMENTAL TRUST AGREEMENT**

SERIES 2019 SUPPLEMENTAL TRUST AGREEMENT

by and among

HANCOCK BANK, A TRADE NAME OF WHITNEY BANK,  
A MISSISSIPPI CHARTER BANK,  
as successor Trustee

and

BAY COUNTY EDUCATIONAL FACILITIES FINANCE CORPORATION,  
as Lessor

and

SCHOOL BOARD OF BAY COUNTY, FLORIDA,  
as Lessee

Dated as of December 1, 2019

Relating to

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

Certificates of Participation

(School Board of Bay County, Florida Master Lease Program, Series 2019)

Evidencing an Undivided Proportionate Interest of Owners

thereof in Basic Rent Payments to be made under

a Master Lease-Purchase Agreement

by the School Board of Bay County, Florida

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## SERIES 2019 SUPPLEMENTAL TRUST AGREEMENT

**THIS SERIES 2019 SUPPLEMENTAL TRUST AGREEMENT**, dated as of December 1, 2019 (the "Series 2019 Supplemental Trust Agreement"), by and among HANCOCK BANK, A TRADE NAME OF WHITNEY BANK, A MISSISSIPPI CHARTER BANK, qualified to do business in the State of Florida, with corporate trust powers and qualified to accept trusts of the type set forth in the Trust Agreement (the "Trustee"), the BAY COUNTY EDUCATIONAL FACILITIES FINANCE CORPORATION, a not-for-profit corporation duly organized and existing under the laws of the State of Florida (the "Corporation"), and the SCHOOL BOARD OF BAY COUNTY, FLORIDA, acting as the governing body of the Bay County School District (the "Board"), supplementing the Master Trust Agreement, dated as of November 1, 1994, as amended and supplemented, (the "Trust Agreement"), by and among the Trustee, as successor trustee to NationsBank of Florida, N.A., the Corporation and the Board.

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

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

**WHEREAS**, the Board has further provided for the lease-purchase of certain real and/or personal property from time to time by entering into the Master Lease-Purchase Agreement, dated as of November 1, 1994, as amended and supplemented (the "Lease Agreement"), between the Corporation, as lessor, and the Board, as lessee; and

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

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

**WHEREAS**, at the request of the Board and the Corporation, the Trustee has agreed to deliver a Series of Certificates pursuant to and upon receipt of a Request and Authorization (as defined in the Trust Agreement) from the Corporation and the Board and the terms of this Series 2019 Supplemental Trust Agreement; and

**WHEREAS**, the Corporation has assigned by outright assignment to the Trustee all of its right, title and interest in and to the Lease Agreement and the Lease Payments (as defined in the Trust Agreement), other than its rights of indemnification, its obligations pursuant to Section 6.03 of the Lease Agreement and its right to enter into Lease Schedules from time to time, pursuant to the Series 2019 Assignment Agreement dated as of December 1, 2019, as amended (the "Series 2019 Assignment"), between the Corporation and the Trustee; and

**WHEREAS**, each Series of Certificates shall be secured independently from each other Series of Certificates; and

**WHEREAS**, the Board has caused the Trustee to execute, authenticate and deliver, under the Trust Agreement, the Certificates of Participation (School Board of Bay County, Florida Master Lease Program, Series 2019) Evidencing an Undivided Proportionate Interest of Owners thereof in Basic Rent Payments to be made under a Master Lease-Purchase Agreement by the School Board of Bay County, Florida (the "Series 2019 Certificates"); and

**WHEREAS**, the proceeds of the Series 2019 Certificates will be principally used to finance the cost of acquisition, construction and installation of various educational facilities (the "Series 2019 Project"), as more particularly described in Lease Schedule No. 2019, dated as of December 1, 2019 (the "Lease Schedule No. 2019"); and

**WHEREAS**, the Trustee has received a Request and Authorization from the Corporation and the Board relating to the issuance of the Series 2019 Certificates; and

**WHEREAS**, the proceeds of the Series 2019 Certificates shall be deposited into the Series 2019 Subaccount of the Project Account and the Series 2019 Subaccount of the Cost of Issuance Account established pursuant to the Trust Agreement; and

**WHEREAS**, in consideration for the deposit of such funds, the Board has agreed to enter into a Lease Schedule No. 2019 (the "Lease Schedule No. 2019" and together with the Lease Agreement, the "Series 2019 Lease"), with the Corporation, whereby the Board will lease the Series 2019 Project and agree to make Basic Rent Payments sufficient to pay the Principal Component of and Interest Component on the Series 2019 Certificates; and

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

**WHEREAS**, all things necessary to make the Series 2019 Certificates, when authenticated by the Trustee and issued as provided herein and in the Trust Agreement, the valid, binding and legal obligations according to the terms thereof, have been done and

performed, and the creation, execution and delivery of this Series 2019 Supplemental Trust Agreement, and the creation, execution and issuance of the Series 2019 Certificates subject to the terms hereof, have in all respects been duly authorized;

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

**ARTICLE I.  
DEFINITIONS**

**Section 101. Definitions.**

Words and terms which are defined in the Trust Agreement shall have the same meanings ascribed to them when used herein, unless the context or use indicates a different meaning or intent. In addition to the words and terms elsewhere defined in this Series 2019 Supplemental Trust Agreement, the following words and terms as used in this Series 2019 Supplemental Trust Agreement shall have the following meanings unless the context or use indicates another or different meaning or intent:

"Lease Agreement" means the Master Lease-Purchase Agreement, dated as of November 1, 1994, by and between the Corporation and the Board as supplemented by the Lease Schedule No. 2019.

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

"Master Trust Agreement" means the Master Trust Agreement, dated as of November 1, 1994, by and among the Corporation, the Board and the Trustee.

"Purchaser" means \_\_\_\_\_, and its successors and assigns, as the person in whose name ownership of the Series 2019 Certificates is shown on the registration books maintained by the Trustee.

"Related Documents" means the Master Trust Agreement, this Series 2019 Supplemental Trust Agreement, the Lease Agreement, the Lease Schedule No. 2019, the Series 2019 Ground Lease, and the Series 2019 Lease Assignments.

"Series 2019 Account of the Redemption Fund" means the account established in the Redemption Fund pursuant to Section 6.02(b) of the Trust Agreement and Section 401 hereof.

"Series 2019 Certificates" means the Certificates of Participation (School Board of Bay County, Florida Master Lease Program, Series 2019) Evidencing an Undivided Proportionate Interest of Owners thereof in Basic Rent Payments to be made under a Master Lease-Purchase Agreement by the School Board of Bay County, Florida.

"Series 2019 Ground Lease Agreement" means the Series 2019 Ground Lease Agreement by and between the Board and the Corporation, dated as of December 1, 2019, as amended and supplemented, and relating to the Series 2019 Project.

"Series 2019 Lease Assignments" means the Series 2019 Assignment, dated as of December 1, 2019, between the Corporation to the Trustee, and the Series 2019 Assignment of Ground Lease Agreement, dated as of December 1, 2019, between the Corporation and the Trustee.

"Series 2019 Pledged Accounts" means the Series 2019 Subaccount of the Interest Account, the Series 2019 Subaccount of the Principal Account and the Series 2019 Account of the Redemption Fund.

"Series 2019 Project" means the educational facilities in the District more particularly described on Schedule B to the Lease Schedule No. 2019 to the Lease Agreement.

"Series 2019 Subaccount of the Costs of Issuance Account" means the subaccount established in the Costs of Issuance Account pursuant to Section 6.02(b) of the Trust Agreement and Section 401 hereof.

"Series 2019 Subaccount of the Interest Account" means the subaccount established in the Interest Account pursuant to Section 6.02(b) of the Trust Agreement and Section 401 hereof.

"Series 2019 Subaccount of the Principal Account" means the subaccount established in the Principal Account pursuant to Section 6.02(b) of the Trust Agreement and Section 401 hereof.

"Series 2019 Supplemental Trust Agreement" means this instrument, as amended and supplemented.

## **ARTICLE II. THE SERIES 2019 CERTIFICATES**

### **Section 201. Authorization of Series 2019 Certificates.**

(a) There is hereby created a Series of Certificates to be issued under the Trust Agreement to be known as "Certificates of Participation (School Board of Bay County, Florida

Master Lease Program, Series 2019) Evidencing an Undivided Proportionate Interest of Owners thereof in Basic Rent Payments to be made under a Master Lease-Purchase Agreement by the School Board of Bay County, Florida." The aggregate principal amount of Series 2019 Certificates which may be issued is hereby expressly limited to \$\_\_\_\_\_. The Series 2019 Certificates shall be issued for the purposes of (i) financing the Series 2019 Project, and (ii) paying Costs of Issuance of the Series 2019 Certificates.

(b) The Series 2019 Certificates shall bear an original issue date of December \_\_, 2019, and interest with respect thereto shall be payable from such original issue date. The Series 2019 Certificates shall be issued as a single fully registered Series 2019 Certificate without coupons in a single denomination equal to \$\_\_\_\_\_, maturing on July 1, 20\_\_, but payable in installments on July 1 in the years and in the principal amounts set forth below, and shall bear interest at the rate of \_\_\_% (the "Interest Rate") computed on a 30-day month/360-day year basis. Payments of principal, including optional prepayments, shall be made without presentment or notation of such payments being made, except upon the final maturity thereof.

<u>Year</u> <u>(July 1)</u>	<u>Amount</u>
--------------------------------	---------------

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

(c) Interest on the Series 2019 Certificates shall be payable semiannually on July 1 and January 1 of each year to and including the date of maturity or prepayment, whichever is earlier, commencing on July 1, 2020. Such interest shall represent an undivided proportionate



interest in the interest portion of Basic Rent Payments due on each of the dates set forth in the Lease Schedule No. 2019.

(d) Notwithstanding anything in the Trust Agreement to the contrary, for so long as the Purchaser is the Owner of the Series 2019 Certificates, the Principal Component and Interest Component represented by the Series 2019 Certificates will be paid by the Trustee to the Purchaser by wire transfer in accordance with instructions provided by the Purchaser to the Trustee, or in such other manner as is agreed to by the Trustee and the Purchaser, and presentment of the Series 2019 Certificates shall not be required for payment.

(e) If the Payment Date shall be a Saturday, Sunday, a legal holiday or a day on which banking institutions in the city where the principal corporate trust office of the Trustee is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day that is not such a Saturday, Sunday, legal holiday or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the nominal date of payment.

(f) The Series 2019 Certificates shall be substantially in the form set forth in Exhibit B to the Trust Agreement, with such changes as may be necessary to conform the provisions of this Series 2019 Supplemental Trust Agreement.

#### **Section 202. Issuance of Series 2019 Certificates**

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

#### **Section 203. Letter of Instructions**

Attached hereto as Schedule 1 is the Letter of Instructions relating to the Series 2019 Certificates as required by Section 6.12 of the Trust Agreement. The Trustee and the Board agree to abide by the provisions of such Letter of Instructions to the extent applicable to each in accordance with and to the extent of the terms of the Trust Agreement.

#### **Section 204. Financial Statements**

The Board shall annually cause to be prepared its annual financial statements in conformity with generally accepted accounting principles. A copy of the audited financial statements for each Fiscal Year shall be furnished to the Purchaser within 270 days following the close of each Fiscal Year, unless such audited financial statements are prepared by the Auditor General of the State of Florida, in which case, such audited financial statements shall be furnished to the Purchaser within 15 days of its receipt by the Board. The Board shall provide

the Purchaser with such other financial information with regard to the Board as the Purchaser may reasonably request.

**ARTICLE III.  
APPLICATION OF SERIES 2019 CERTIFICATE PROCEEDS**

**Section 301. Application of Series 2019 Certificate Proceeds.**

(a) The proceeds of the Series 2019 Certificates shall be applied by the Trustee as follows:

(i) Deposit to the credit of the Series 2019 Subaccount of the Project Account an amount equal to \$\_\_\_\_\_; and

(ii) Deposit to the credit of the Series 2019 Subaccount of the Costs of Issuance Account an amount equal to the Costs of Issuance of \$\_\_\_\_\_.

(b) All moneys on deposit in the Subaccounts described in this Section shall be applied in accordance with the terms hereof and shall be disbursed by the Trustee in the manner and for the purposes described in the Trust Agreement.

**ARTICLE IV.  
ESTABLISHMENT OF SERIES 2019 PLEDGED ACCOUNTS**

**Section 401. Establishment of Series 2019 Pledged Accounts.**

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

(a) The "School Board of Bay County, Florida Master Lease Series 2019 Subaccount of the Costs of Issuance Account".

(b) The "School Board of Bay County, Florida Master Lease Series 2019 Subaccount of the Interest Account".

(c) The "School Board of Bay County, Florida Master Lease Series 2019 Subaccount of the Principal Account".

(d) The "School Board of Bay County, Florida Master Lease Series 2019 Account of the Redemption Fund."

(e) The "School Board of Bay County, Florida Master Lease Series 2019 Subaccount of the Rebate Fund."

(f) The "School Board of Bay County, Florida Master Lease Series 2019 Subaccount of the Project Account."

The moneys on deposit in the Account and Subaccounts described in this Section shall be disbursed by the Trustee in the manner and for the purposes described in the Trust Agreement. The moneys in the Series 2019 Pledged Accounts shall be invested solely in the Permitted Investments.

**Section 402. Security for Series 2019 Certificates.**

The Series 2019 Certificates shall be secured in the manner provided in the Trust Agreement and shall receive all the benefits of the Trust Estate created thereunder; provided, such portion of the Trust Estate (i) which is derived from the sale, re-letting or other disposition of the Series 2019 Project shall be utilized solely for the benefit of the Owners of the Series 2019 Certificates; and (ii) and any cash, securities and investments in the Series 2019 Pledged Accounts shall be utilized solely for the benefit of the Owners of the Series 2019 Certificates. The Owners of the Series 2019 Certificates shall have no claim against, nor receive any benefits from, any portion of the Trust Estate derived from the sale, re-letting or other disposition of Projects, other than the Series 2019 Project (excluding Designated Equipment, if any), or any cash, securities and investments in the Pledged Accounts, other than the Series 2019 Pledged Accounts.

**Section 403. No Reserve Account.**

No sub-accounts of the Reserve Account with respect to the Series 2019 Certificates shall be required to be established.

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

**Section 501. Prepayment Dates and Prices of Series 2019 Certificates.**

(a) The Series 2019 Certificates are subject to prepayment only as provided in this Section 501.

(b) The Series 2019 Certificates are not subject to extraordinary mandatory prepayment prior to maturity pursuant to Section 5.08(c) of the Lease Agreement.

(c) The Series 2019 Certificates are subject to prepayment at the option of the Board, in whole, or in part, on any date, and, if in part, by lot within a maturity in such manner as may be designated by the Trustee, in an amount equal to the principal amount to be prepaid plus accrued interest thereon to the date of prepayment with ten days prior written notice to the Owner. The notice requirements of Section 5.03 of the Master Trust Indenture shall not apply to the providing of notice of prepayment for the Series 2019 Certificates. Notwithstanding any provisions of the Trust Agreement to the contrary, notice of any prepayment of the Series 2019 Certificates may state that the proposed prepayment is conditioned on there being on deposit in the applicable fund or account on the prepayment date sufficient funds to pay the full prepayment price of the Series 2019 Certificates to be prepaid or any other conditions as may be set forth in such notice of prepayment. In the event the conditions stated in the notice of prepayment are not satisfied on the proposed prepayment date, such prepayment shall not occur and such notice of prepayment shall be of no further force or effect. Except as provided herein, the Series 2019 Certificates shall be called for redemption upon the notice and in the manner provided in Article V of the Trust Agreement. Any partial prepayments shall be applied to the outstanding principal portion of the Series 2019 Certificates in inverse order of maturity or Amortization Installments.

## **ARTICLE VI. MISCELLANEOUS**

### **Section 601. Waiver of Jury Trial.**

The Board and the Corporation knowingly, voluntarily, and intentionally waives any right it may have to a trial by jury, with respect to any litigation or legal proceedings based on or arising out of the Related Documents and the Series 2019 Certificates, including any course of conduct, course of dealings, verbal or written statement or actions or omissions of any party which in any way relates to the Related Documents and the Series 2019 Certificates.

### **Section 602. Patriot Act Notice.**

The Purchaser hereby notifies the Board and the Corporation that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 signed into law October 26, 2001), the Purchaser may be required to obtain, verify and record information that identifies the Board and the Corporation, which information includes the name and address of the Board and Corporation and other information that will allow the Purchaser to identify the Board and Corporation in accordance with the USA PATRIOT Act.

### **Section 603. Provisions Of Trust Agreement Not Otherwise Modified.**

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

**Section 604. Third Party Beneficiaries.**

Nothing in this Series 2019 Supplemental Trust Agreement, express or implied, is to or shall be construed to confer upon or to give to any person or party other than the Corporation, and its assignee, the Trustee, the Purchaser and the Board any rights, remedies or claims under or by reason of this Series 2019 Supplemental Trust Agreement or any covenants, condition or stipulation hereof; and all covenants, stipulations, promises and agreements in this Series 2019 Supplemental Trust Agreement contained by or on behalf of the Corporation or the Board shall be for the sole and exclusive benefit of the Corporation, and its assignee, the Purchaser, and the Board.

**Section 605. Counterparts.**

This Series 2019 Supplemental Trust Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**Section 606. Headings.**

Any heading preceding the text of the several Articles hereof, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Series 2019 Supplemental Trust Agreement, nor shall they affect its meaning, construction or effect.

**Section 607. Laws and Venue.**

The Related Documents and the Series 2019 Certificates shall be governed by applicable federal law and the internal laws of the state of Florida. The Board and Corporation agree that certain material events and occurrences relating to the Related Documents and the Series 2019 Certificates bear a reasonable relationship to the laws of Florida and the validity, terms, performance and enforcement of the Related Documents and the Series 2019 Certificates shall be governed by the internal laws of Florida which are applicable to agreements which are negotiated, executed, delivered and performed solely in Florida. Unless applicable law provides otherwise, in the event of any legal proceeding arising out of or related to the Related Documents and the Series 2019 Certificates, the Board and the Corporation consent to the jurisdiction and venue of any court located in Bay County, Florida.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties have executed this Series 2019 Supplemental Trust Agreement by their officers thereunto duly authorized as of the date and year first written above.

(SEAL)

HANCOCK BANK, A TRADE NAME OF  
WHITNEY BANK, A MISSISSIPPI CHARTER  
BANK, as Trustee

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

Vice President

(SEAL)

BAY COUNTY EDUCATIONAL FACILITIES  
FINANCE CORPORATION, as Lessor

ATTEST:

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

President

\_\_\_\_\_  
William V. Husfelt, III  
Secretary

(SEAL)

SCHOOL BOARD OF BAY COUNTY,  
FLORIDA, as Lessee

ATTEST:

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

Chairman

\_\_\_\_\_  
William V. Husfelt, III  
Secretary-Superintendent

SCHEDULE 1

LETTER OF INSTRUCTIONS

See Exhibit B to the  
Tax Certificate as to Arbitrage and  
the Provisions of Sections 141-150 of  
the Internal Revenue Code of 1986, as Amended

**EXHIBIT D**

**FORM OF SERIES 2019 GROUND LEASE AGREEMENT**



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**SERIES 2019 GROUND LEASE AGREEMENT**

**by and between**

**THE SCHOOL BOARD OF BAY COUNTY, FLORIDA,  
as Lessor**

**and**

**BAY COUNTY EDUCATIONAL FACILITIES FINANCE CORPORATION  
as Lessee**

**Date as of December 1, 2019**

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## GROUND LEASE AGREEMENT

**THIS SERIES 2019 GROUND LEASE AGREEMENT** (hereinafter referred to as the "Ground Lease") is made and entered into as of December 1, 2019 by and between **THE SCHOOL BOARD OF BAY COUNTY, FLORIDA**, a school board duly organized and existing under the laws of the State of Florida (the "Board"), as lessor, acting as the governing body of the Bay County School District, and the **BAY COUNTY EDUCATIONAL FACILITIES FINANCE CORPORATION**, a not-for-profit corporation duly organized and existing under the laws of the State of Florida (the "Corporation"), as lessee.

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

**WHEREAS**, the Board is or shall be the owner of certain parcels of real property located in Bay County, Florida and described in Exhibit A hereto, as the same may be amended from time to time by the addition of parcels of land to be acquired by the Board in the future pursuant to one or more supplements to this Ground Lease (which, together with any easements or other rights or privileges in adjoining property inuring to the fee simple owner of such land by reason of ownership of such land and together with all parcels of real property hereafter made subject to the Ground Lease, is hereinafter referred to as the "Premises"); and

**WHEREAS**, the Board desires to lease purchase one or more particular educational facilities to be located on the Premises (individually and collectively, the "Series 2019 Facilities"), pursuant to Lease Schedule No. 2019 to the Lease Agreement, which schedule, upon being executed and delivered by the Board and the Corporation, together with the terms and provisions of the Lease Agreement, constitutes a separate lease (as the same may be amended or supplemented from time to time, the "Series 2019 Lease"); and

**WHEREAS**, the ground leasing of the Premises, the subleasing of the Premises back to the Board and the lease purchase financing of the Series 2019 Facilities are herein collectively referred to as the "Project"; and

**WHEREAS**, the Board is or shall be the owner of certain real property more particularly described on Exhibit B attached hereto and made a part hereof as the same may be amended from time to time by the addition of parcels of land to be acquired by the Board in the future pursuant to one or more supplements to this Ground Lease ("Servient Property") which such Servient Property now has or will hereafter have certain buildings, structures and improvements erected and situated thereon (collectively, the "Servient Buildings"); and

**WHEREAS**, it is anticipated that the Project may be attached to the Servient Property for pedestrian and vehicular ingress, egress and access to and from and between the Premises and the public roads adjoining the Servient Property (hereinafter referred to as "Access"); and may further be dependent upon the Servient Property for utility and other enjoyment of the

Premises which such services include, but are not necessarily limited to, drainage, sewer and water service, electric and telephone service, gas service and parking of vehicles (collectively, the "Services"); and

**WHEREAS**, the Corporation desires to acquire from the Board, pursuant to this Ground Lease, and the Board is willing to grant to the Corporation, the right to utilize the Servient Property to the extent reasonably necessary for Access and for the Services and the Corporation and the Board desire to provide for the structural attachment of certain of the components of the Project to the Servient Buildings;

**NOW, THEREFORE**, in consideration of the mutual agreements and covenants herein contained and for other valuable consideration, the parties hereto agree as follows;

**SECTION 1. LEASED PREMISES.** (a) Pursuant to the terms and provisions hereof, the Board hereby leases, grants, demises and transfers the Premises and the Project, other than the Designated Equipment, to the Corporation. The Board hereby agrees to make all parcels of real property on which the Project is sited part of the Premises and subject to this Ground Lease. The Board shall execute, deliver and record one or more supplements to the Ground Lease upon acquisition of each such parcel.

(b) The aforesaid leasing, granting, demising and transfer of the Premises also includes the following rights ("Premises Rights") which such Premises Rights shall be deemed to be a part of the Premises:

(i) The right to utilize the Servient Property for Access and for the Services reasonably necessary to the full use and enjoyment of the Premises; provided that the locations on the Servient Property utilized for such purposes shall be reasonably agreed upon by the Corporation and the Board; and provided, further, that the Servient Property Rights shall include, but not necessarily be limited to, the right to utilize for such purposes any portion of the Servient Property (e.g., the Servient Property Rights shall include, but not necessarily be limited to, the right to utilize for appropriate purposes, any drives, parking areas, drainage facilities or sewer, water, gas, electric or telephone lines from time to time located upon the Servient Property, together with the right to "tie-in" or "connect" thereto). If the Series 2019 Lease terminates prior to the termination of this Ground Lease, the Corporation and the Board shall each have the right to install such meters or submeters as may be reasonably appropriate to the end that the Corporation is charged for consumption of such utilities on the Premises.

(ii) The Servient Buildings and the Project may contain certain elements, features or parts which are structural elements of both the Servient Buildings and the Project (hereinafter referred to as "Common Structural Elements"). Such Common Structural Elements include, but are not necessarily limited to the following:

(A) All utility lines, ducts, conduits, pipes and other utility fixtures and appurtenances which are located on or within either the Premises or the

Project on the one hand or the Servient Property or Servient Buildings on the other hand and which, directly or indirectly, in any way, service the other.

(B) All division walls (hereinafter referred to as "Party Walls") between the Project and the Servient Buildings upon the common line between the Premises and the Servient Property (hereinafter referred to as the "Lot Line") provided that the mere fact that such a division wall is found not to be on the Lot Line shall not preclude that division wall from being the Party Wall.

(C) The roof and all roof support structures and any and all appurtenances to such roof and roof support structures including, without limitation, the roof covering, roof trim and roof drainage fixtures (collectively, the "Roofing") to the extent interrelated between the Project and the Servient Buildings. Should the Roofing of any building constituting a portion of the Project extend beyond the Lot Line, the right therefor is hereby granted and should the Roofing of the Servient Building extend beyond the Lot Line onto the Premises, the right therefor is hereby reserved.

(D) The entire concrete floor slab or wood floor system if utilized in lieu thereof and all foundational and support structures and appurtenances thereto to the extent interrelated between the Project and the Servient Buildings (collectively referred to as "Flooring"). Should the Flooring of the Project extend beyond the Lot Line, the right therefor is hereby granted and should the Flooring of the Servient Buildings extend beyond the lot line onto the Premises, the right therefor is hereby reserved.

(iii) The Premises Rights further include that right of the Project to encroach upon the Servient Property as a result of minor inaccuracies in survey, construction or reconstruction or due to settlement or movement. The encroaching Project shall remain undisturbed for as long as same exist and, for so long as such encroachment exists, that portion of the Servient Property on which same exists shall be deemed to be a part of the Premises. In addition, the Premises Rights include the right to utilize that portion of the Servient Property as may be reasonably necessary in order to maintain and repair the Project. The Premises Rights further include cross rights of support and use over, upon, across, under, through and into Common Structural Elements in favor of the Corporation (and like rights are hereby reserved unto the Board) for the continued use, benefit and enjoyment and continued support, service, maintenance and repair of all such Common Structural Elements.

(c) Subject to the Permitted Encumbrances, the Board hereby warrants that (i) the Board owns the Premises in fee simple title, has full and insurable title to the fee estate in the Premises and owns unencumbered all such right, title and interest; (ii) all consents to or approvals of this Ground Lease required by law or any agreements or indentures binding upon the Board have been obtained; (iii) the Board has the right to lease the Premises to the

Corporation pursuant to the terms and provisions hereof and to grant to the Board the Premises Rights; and (iv) this Ground Lease complies with all the requirements and restrictions of record applicable to the Premises and the Servient Property. The Board represents and warrants that none of the Permitted Encumbrances has an adverse effect on the use of the Premises or the enjoyment of the leasehold estate therein created under this Ground Lease.

**SECTION 2. TERM.** The initial term of this Ground Lease (the "Initial Ground Lease Term") shall be for the period commencing on the Commencement Date, and ending on the earlier of (a)(i) the date on which the Series 2019 Certificates, (ii) any Certificates issued to refinance the Series 2019 Facilities and (iii) any Completion Certificates related to the Project, have been paid or provision for payment has been made pursuant to Section 12.01 of the Trust Agreement and any Supplemental Rent arising under the Series 2019 Lease shall have been paid or provided for, or (b) June 30, 20\_\_ (both dates inclusive). As used herein, the expression "term hereof," "Ground Lease Term" or any similar expression refers collectively to the Initial Ground Lease Term and to any renewals of the Initial Ground Lease Term exercised by the Corporation or its assignee as provided in Section 22 hereof.

**SECTION 3. USE OF PREMISES.** (a) It is the express intent of the parties hereto that, for as long as no Event of Default or Event of Non-Appropriation under the Series 2019 Lease has occurred:

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

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

(iii) title to the Premises and the Project, other than Designated Equipment, shall be subject in all respects to the leasehold estate granted by the Board to the Corporation pursuant to Section 1 hereof, until the earlier of (A) the date on which the Series 2019 Certificates issued under the Trust Agreement shall no longer be Outstanding, and (B) the end of the Ground Lease Term.

(b) If the Series 2019 Lease has been terminated, the Corporation and each Permitted Transferee (as defined in Section 9(b) hereof) may use the Premises for any lawful purpose, in its sole discretion, and may alter, modify, add to or delete from the portions of the Project existing from time to time on the Premises.

(c) Neither the Corporation nor any Permitted Transferee shall use or permit the Premises to be used in violation of any valid present or future laws, ordinances, rules or regulations of any public or governmental authority at any time applicable thereto.

(d) The Board may at any time place portable educational facilities on the Premises.

**SECTION 4. RENTAL.** (a) So long as the Series 2019 Lease has not been terminated, the Corporation or its assignee shall pay to the Board as and for rental, but solely from the sources set forth herein and in the Series 2019 Lease (it being understood that the obligation of the Corporation to pay rent hereunder is a special, limited and nonrecourse obligation of the Corporation) for the Premises the sum of ten dollars (\$10.00) per annum, which sum shall be due in advance on the Commencement Date (pro rated) and annually thereafter on the first day of each Renewal Lease Term.

(b) From and after the date on which the Series 2019 Lease has been terminated, the Corporation or its assignee shall pay as and for rental for the Premises an amount determined by an M.A.I. appraisal to be the fair market rental for the Premises (the "Appraisal"), which Appraisal shall be prepared by an appraiser selected by the Trustee as assignee of the Corporation and approved by the Credit Enhancer, if any, and so long as such Credit Enhancer, if any, is not in default of its payment obligations; provided, however, that such fair market rental and the payment thereof shall be subject to the following adjustments and conditions:

(i) if the Series 2019 Lease has been terminated on a date other than June 30 of any year, the fair market rental determined pursuant to the Appraisal shall be pro rated for the number of days between the date terminated and the next succeeding June 30;

(ii) for each twelve-month period beginning on the July 1 next succeeding the date on which terminated and beginning on each succeeding July 1, the amount of the fair market rental determined by the Appraisal shall be adjusted by the percentage (positive or negative) which is equal to the Implicit Price Deflator of the Consumer Price Index published by the United States Department of Commerce for the region of the United States where Florida is located or for the United States as a whole if not so published for such region;

(iii) the fair market rental due in any year shall be paid in the current year only to the extent that the moneys received by the Trustee as assignee of the Corporation from the exercise of the remedies permitted under the Series 2019 Lease during the preceding twelve months prior to such July 1 exceeded the amounts due the Trustee under the Series 2019 Lease and the Principal and Interest Requirements for such preceding twelve months; provided, however, that any portion of such fair market rental not paid in any year due to the provisions of this clause (iii) shall remain due and payable and shall accumulate from year to year and shall be paid in any future years to the extent that moneys received in such year from the exercise of the remedies permitted by the Series 2019 Lease exceed the Principal and Interest Requirements and the fair market rental due in such years; and

(iv) the failure to pay any portion of the fair market rental in any year due to insufficiencies of moneys realized from the exercise of the remedies permitted under the Series 2019 Lease (A) shall not give rise to any obligation to pay interest on such unpaid

fair market rental, and (B) shall not constitute a default under this Ground Lease by the Corporation or the Trustee as the assignee of the Corporation.

**SECTION 5. OWNERSHIP OF IMPROVEMENTS AND SURRENDER OF PREMISES.** (a) The Corporation or its assignee shall at all times during the Ground Lease Term have a leasehold estate in the Premises and the Project (other than the Designated Equipment) with full right to vest the use, enjoyment and possession of such leasehold estate therein in a Permitted Transferee.

(b) Possession and use of the Premises, together with all improvements thereon, shall, upon the last day of the Ground Lease Term or earlier termination of this Ground Lease, automatically revert to the Board free and clear of liens and encumbrances other than Permitted Encumbrances without necessity of any act by the Corporation or any Permitted Transferee. Upon such termination of this Ground Lease, the Corporation or its assignee shall peaceably and quietly surrender to the Board the Premises together with any improvements located in or upon the Premises. Upon such surrender of the Premises, the Corporation or any Permitted Transferee, at the reasonable request of the Board, shall execute an instrument in recordable form evidencing such surrender and shall deliver to the Board all books, records, construction plans, surveys, permits and other documents relating to, and necessary or convenient for, the operation of the Premises and the improvements thereof in the possession of the Corporation or any Permitted Transferee.

(c) Any personal property of the Corporation, any Permitted Transferee or any Person which shall remain on the Premises after expiration or earlier termination of the Ground Lease Term and for thirty (30) days after request by the Board for removal, shall, at the option of the Board, be deemed to have been abandoned and may be retained by the Board and the same may be disposed of, without accountability, in such manner as the Board may see fit.

(d) If the Corporation or any Permitted Transferee holds over or refuses to surrender possession of the Premises after expiration or earlier termination of this Ground Lease, the Corporation or any Permitted Transferee shall be a tenant at sufferance and shall pay a rental rate equal to the fair market rental of the Premises determined in the manner provided in Section 4(b) hereof.

(e) The provisions of Section 5(a), 5(b) and 5(c) hereof shall not apply to vending machines or other commercial equipment or trade fixtures located in or about the Premises to the extent that such equipment is readily removable from the Premises without causing material harm or damage thereto and that such equipment is not owned by the Corporation or any Permitted Transferee.

**SECTION 6. BOARD'S INTEREST NOT SUBJECT TO CERTAIN LIENS.** It is mutually intended, stipulated and agreed that neither the fee simple title to nor any interest of the Board in the Premises or the Project may be subject to liens of any nature arising by reason



of any act or omission of the Corporation or any Person claiming under, by or through the Corporation, including, but not limited to, mechanics' and materialmen's liens.

**SECTION 7. INSURANCE.** The Corporation covenants and agrees with the Board that the Corporation will cooperate with the Board in providing any information within the Corporation's control necessary for the Board to obtain and maintain in full force and effect insurance coverages desired by the Board or required by the Series 2019 Lease.

**SECTION 8. CONDITION OF PREMISES, UTILITIES, CONCEALED CONDITIONS.** (a) Except with regard to any environmental conditions and subject to the provisions of this Section 8, the Corporation agrees to accept the Premises in their presently existing condition, "as is."

(b) It is understood and agreed that the Board has determined that the Premises will safely or adequately support the Project, and hereby certifies same to the Corporation.

(c) The Board, at its sole expense, shall bring or cause to be brought to the Premises adequate connections for water, electrical power, storm sewerage and sewerage, and shall arrange with the appropriate utility companies for furnishing such services and shall provide to the Premises water service and capacity sufficient for operation, heating, ventilation and air conditioning equipment, and to the extent necessary to permit the Board to use the Project for the purposes intended or to permit such Project to comply with all requirements of law, the Corporation will provide and construct (but only to the extent of the proceeds of the Series 2019 Certificates available therefor) such roads, streets, sidewalks and other methods of ingress and egress necessary therefor. Nothing herein shall prohibit the Board from dedicating any such utilities or roads, streets and sidewalks to the appropriate governmental authority or duty constituted investor-owned utility as required or permitted by law, and the Corporation or the Trustee as assignee of the Corporation shall cooperate in such dedication by executing any deeds or other instruments required to effect such dedication.

**SECTION 9. LIMITATION ON LEASEHOLD MORTGAGES, ASSIGNMENT AND SUBLETTING.** (a) If the Series 2019 Lease has been terminated and subject to the terms and conditions herein provided, the Corporation or its assignee may enter into a mortgage or mortgages of the leasehold estate created hereby in the Premises and the Project (other than the Designated Equipment) as security for the performance of its obligations under any financing obtained by the Corporation or its assignee; provided, however, the fee title to the Premises and the Project shall not be subject to, or otherwise encumbered by, any such mortgage; provided, however, that each such leasehold mortgage shall be subject to the provisions of Section 9(d) hereof. Any such mortgage executed by the Corporation or its assignee pursuant to the provisions of the preceding sentence shall be hereinafter called a "Leasehold Mortgage" and the holder of any such mortgage shall be hereinafter called the "Leasehold Mortgagee."

(b) Except as expressly provided in this Section 9(b), the Corporation or its assignee shall not assign this Ground Lease, or any portion hereof, or sublease all or any portion of the

Premises or the Project at any time. Except as expressly permitted in this Section 9(b), any purported assignment, partial assignment or sublease without the Board's prior written consent in violation of this Section 9(b) shall be null and void. So long as the Series 2019 Lease has not been terminated, (i) the Corporation may assign this Ground Lease to the Trustee for the benefit of the Owners of the Series 2019 Certificates, and (ii) the Corporation shall sublet all of the Premises to the Board (the "Initial Sublessee") under the Series 2019 Lease. If the Series 2019 Lease shall have been terminated, the Corporation or its assignee may sublet the Premises or assign its interest in this Ground Lease (a "Permitted Sublease") to any Person for any lawful purpose without the prior consent of the Board; provided, however, that no Permitted Sublease shall relieve the Corporation or its assignee of any of its duties or obligations hereunder without the prior written consent of the Board; provided, however, that each Permitted Sublease shall be subject to the provisions of Section 9(d) hereof. "Permitted Transferee" shall mean a sublessee or assignee permitted by this Section 9(b).

(c) If the Series 2019 Lease shall have been terminated and the Corporation or its assignee proposes to create a Permitted Sublease of any portion of its interest in this Ground Lease, the Corporation or its assignee shall provide written notice thereof to the Board containing addresses of the proposed assignee(s), sublessee(s) or transferee(s); provided, however, that failure to provide such notice shall not affect the validity or effectiveness of any Permitted Sublease to a Permitted Transferee.

(d) If the Series 2019 Lease shall have been terminated, nothing herein shall prevent the Corporation or its assignee from entering into a Leasehold Mortgage or a Permitted Sublease for the Project (other than the Designated Equipment) and individual parcels of land constituting the Premises. It shall not be necessary for a Leasehold Mortgage or a Permitted Sublease to cover all of the Premises.

**SECTION 10. UTILITY EASEMENTS.** So long as the Series 2019 Lease has not been terminated, the Board reserves the right to grant nonexclusive utility easement, licenses, rights-of-way and other rights or privileges in the nature of easements to others over, under, through, across or on the Premises but only to the extent reasonably necessary to provide services to the Premises or any other real property adjacent to the Premises; provided, however, that such grant and any use permitted thereby is not detrimental to the use or operation of the Premises or to any other uses permitted hereunder after the Ground Lease term, will not impose any cost upon the Corporation or its assignee, will not weaken, diminish or impair lateral or subjacent support to the improvements to the Premises including, without limitation, the Project, will not impair or diminish the security of any Leasehold Mortgagee or Permitted transferee hereunder and the Board agrees to indemnify and save harmless, but only from Available Revenues, the Corporation or its assignee and any Leasehold Mortgagee and Permitted Transferee (whether the interest of such party in the Premises arises prior or subsequent to such grants) against any loss, claim, liability or damages, including legal costs and defense arising or accruing from the use or exercise of such easement.

**SECTION 11. DUTIES DEEMED PERFORMED.** All obligations of the Corporation hereunder which are assumed by the Initial Sublessee shall be deemed, as between the Board and the Corporation hereunder, fully performed whether or not such Initial Sublessee actually performs same.

**SECTION 12. TAXES AND FEES.** (a) The Board represents and warrants that this Ground Lease is and will be exempt from ad valorem and intangible taxation. However, for as long as the Series 2019 Lease is in effect, should the Premises thereon or any interest therein ever become subject to any such taxes, the Board agrees to pay any and all such lawful taxes, assessments or charges which at any time may be levied by any federal, state, county, city, or any tax or assessment levying body upon the Premises or the Project, or any interest in this Ground Lease, or any possessory right which the Corporation or its assignee may have in or to the Premises thereon by reason of its use or occupancy thereof or otherwise.

(b) Notwithstanding the foregoing provision, either the Board or the Corporation shall, after notifying the other party hereto of its intention to do so, have the right in its own name or behalf, or in the name and behalf of the other party hereto, to contest in good faith by all appropriate proceedings the amount, applicability or validity of any such tax or assessment, and in connection with such contest, the Board may refrain from paying such tax or assessment. Each party shall, upon request by the other party hereto, assist and cooperate with the other party hereto in any such proceedings.

(c) In the event that the Board shall fail to pay any of the items required under this Section 12, the Corporation may, at its sole option, pay the same and any amounts so advanced therefor by it shall become an additional obligation of the Board and Supplemental Rent under the Series 2019 Lease.

**SECTION 13. DEFAULT BY THE CORPORATION.** (a) Each of the following events shall be deemed a default by the Corporation hereunder and a breach of this Ground Lease:

(i) if the Corporation or its assignee shall fail to pay, when due, any rent or portion thereof, or any other sum, if any, which the Corporation or its assignee is obligated to pay under the terms and provisions of this Ground Lease, and such rent or other sums, if any, remain unpaid for a period of thirty (3) days after receipt of written notice to the Corporation from the Board;

(ii) if the Corporation or its assignee shall attempt to mortgage the leasehold estate hereby created in violation of Section 9(a) hereof or to assign this Ground Lease, or any portion thereof, or to sublease any portion of the Premises or the Project in violation of Section 9(b) hereof; or

(iii) if the Corporation or its assignee shall use the Premises or the Project for any purposes not permitted by this Ground Lease, and such use shall continue for a period of thirty (30) days after the Board shall have given written notice to the Corporation to desist from such use.

(b) In the event that the item of default set forth in Section 13(a)(iii) above is of such a nature that it cannot be remedied within the time limits therein set forth, then the Corporation or its assignee shall have such additional time as is reasonably necessary to cure such default, provided the Corporation or its assignee diligently commences the curing of such default within said time limits and proceeds to completely cure the same in a timely and diligent manner.

(c) In the event that any Permitted Transferee or Leasehold Mortgagee exists of record at the time that a default occurs hereunder, the Board shall give notice thereof to each such Permitted Transferee and Leasehold Mortgagee and each such party shall have thirty (30) additional days from receipt of such notice to cure such default; provided, however, that if the default is of such a nature that the same cannot be cured in such time, then such party shall have such additional time as is reasonably necessary to cure such default provided that such party diligently commences the curing of such default within such time and proceeds completely to cure same within a timely and diligent manner.

**SECTION 14. REMEDIES OF BOARD.** Upon the occurrence of any event of default as set forth in Section 13 hereof which has not been cured (and is not in the process of being cured) under Section 13(b) or 13(c) hereof, but not otherwise, the Board may take whatever action at law or in equity may appear necessary or desirable to enforce its rights hereunder; provided, the Board shall not have the right to terminate this Ground Lease until such time as the Series 2019 Certificates have been paid or provision for payment has been made pursuant to the terms and provisions of the Trust Agreement. The Board shall have recourse solely against the leasehold estate of the Corporation or its assignee in the Premises and the Project, and any proceeds thereof, for the payment of any liabilities of the Corporation or its assignee hereunder.

**SECTION 15. NO WAIVERS.** No waiver by either party hereto at any time of any of the terms, conditions, covenants or agreements of this Ground Lease, or noncompliance therewith, shall be deemed or taken as a waiver at any time thereafter of the same, nor of any other term, condition, covenant or agreement herein contained, nor of the strict and prompt performance thereof by the other party hereto. No delay, failure or omission of the Board to re-enter the Premises, nor by either party hereto to exercise any right, power, privilege or option arising from any default shall impair any right, power, privilege or option, or be construed to be a waiver of any such default, relinquishment thereof or acquiescence therein, and no notice by either party hereto shall be required to restore or revive time as being of the essence hereof after waiver by the Board of default in one or more instances. No option, right, power, remedy or privilege of the Board shall be construed as being exhausted or discharged by the exercise thereof in one or more instances. It is agreed that each and all of the rights, powers, options or remedies given to each party by this Ground Lease are cumulative, and no one of them shall be exclusive of the other or exclusive of any remedies provided by law.

**SECTION 16. QUIET ENJOYMENT.** The Board agrees that the Corporation or its assignee and any Permitted Transferee, upon the payment of the rent and all other payments and charges, if any, to be paid by the Corporation under the terms of this Ground Lease, and

observing and keeping the agreements and covenants of this Ground Lease on its part to be observed and kept, shall lawfully and quietly hold, occupy and enjoy the Premises and the Project during the term of this Ground Lease, without hindrance or molestation from the Board or anyone claiming by, through or under the Board.

**SECTION 17. TERMS BINDING UPON SUCCESSORS.** All the terms, conditions and covenants of this Ground Lease shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto.

**SECTION 18. CONDEMNATION.** In the event that any Person, public or private, shall by virtue of eminent domain or condemnation proceedings, or by purchase in lieu thereof, at any time during the term of this Ground Lease acquire title to the Premises or the Project:

(a) For as long as the Series 2019 Lease has not been terminated, the Net Proceeds resulting therefrom shall be applied pursuant to the Series 2019 Lease.

(b) If the Series 2019 Lease shall have been terminated, (i) if such Person acquires title to such substantial portion thereof that the Corporation determines that it cannot economically make use of the residue for the lawful purposes intended by this Ground Lease, such acquisition of title shall terminate this Ground Lease, effective as of the date on which the condemning party takes possession thereof, and the Net Proceeds resulting therefrom shall be applied first to payment of the amount secured by any Leasehold Mortgage then outstanding hereunder, second, to payment of any outstanding Series 2019 Certificates, and, third, the balance, if any shall be paid to the Board and the Corporation, as their respective interests may appear; and (ii) if such Person acquires title to a portion of the Premises or the Project only, and the Corporation determines that it can economically make beneficial use of the residue thereof for the lawful purposes intended by this Ground Lease, then this Ground Lease shall continue in full force and effect and the Net Proceeds resulting therefrom shall be paid to the Board and the Corporation, as their respective interests appear.

(c) It is understood that the foregoing provisions of this Section 18 shall not in any way restrict the right of the Board or the Corporation to appeal the award made by any court or other public agency in any condemnation proceeding.

**SECTION 19. NON-MERGER OF LEASEHOLD.** There shall be no merger of this Ground Lease or of the leasehold estate hereby created with the fee estate in the Premises and the Project or any part thereof by reason of the fact that the same Person may acquire or hold, directly or indirectly, this Ground Lease or leasehold estate hereby created or any interest in this Ground Lease or in such leasehold estate and the fee estate in the Premises and the Project or any interest in such fee estate.

**SECTION 20. MEMORANDUM OF GROUND LEASE.** Unless mutually agreed to the contrary, simultaneously with the execution of this Ground Lease, the Board and the Corporation shall each execute, acknowledge and deliver a Memorandum of Ground Lease with respect to this Ground Lease. Said Memorandum of Ground Lease shall not in any

circumstances be deemed to change or otherwise to affect any of the obligations or provisions of this Ground Lease.

**SECTION 21. CHANGES TO PROPERTY DESCRIPTION.** The Board reserves the right to substitute other land for, or add land to all or any portion of the Premises described in Exhibit A hereto, as same may be supplemented by supplements to this Ground Lease from time to time. The Board will do so only after notice and public hearing and subsequent adoption of a resolution in accordance with the Act. Upon such substitution the Memorandum of Ground Lease will be supplemented to reflect the change in legal description. Any such supplement shall be substantially in the form of Exhibit C attached hereto. Each substitution of a parcel of land subject to the provisions of this Ground Lease shall require the Consent of the Credit Enhancer, if any. Such consent by the Credit Enhancer, if any, shall be required only if such Credit Enhancer is not in default of its payment obligations under its Credit Facility.

**SECTION 22. OPTION TO RENEW.** In the event that the Series 2019 Lease shall have been terminated, and the Corporation, or the Trustee as the assignee of the Corporation, excludes the Board from possession of the Project, the Board grants to the Corporation, or the Trustee as the assignee of the Corporation, the right and option to renew this Ground Lease for a period not to exceed five years at a fair market rental to be determined, adjusted and paid in the manner and under the conditions set forth in Section 4(b) of this Ground Lease.

**SECTION 23. ESTOPPEL CERTIFICATES.** The Board, at any time and from time to time, upon not fewer than thirty (30) days prior written notice from the Corporation, the Trustee as assignee of the Corporation or the Credit Enhancer, if any, will execute, acknowledge and deliver to the Corporation, the Trustee as assignee of the Corporation or any Permitted Transferee, a certificate of the Board certifying that this Ground Lease is unmodified (or, if there have been any modifications, identifying the same), that this Ground Lease is in full force and effect, if it is; and that there is no default hereunder (or, if so, specifying the default). It is intended that any such certificate may be relied upon by the Corporation or the Trustee as assignee of the Corporation or any Permitted Transferee.

**SECTION 24. ENVIRONMENTAL MATTERS.** The Corporation hereby represents, warrants and covenants to and for the benefit of the Board that following an event of default or non-appropriation under the Series 2019 Lease and during the Ground Lease Term:

(a) the location, construction, occupancy, operation, condition and use of any improvements to the Premises will not violate any applicable law, statute, ordinance, rule, regulation, order or determination of any Governmental Authority, or any restrictive covenant or deed restriction (recorded or otherwise) affecting same, including without limitation all applicable zoning ordinances and building codes, flood disaster, occupational health and safety laws and Environmental Laws;

(b) without limitation of clause (a) immediately above, it will not take any action or refrain from taking any action that would cause such improvements or the Corporation to be in

violation of or subject to any existing, pending or threatened investigation, request for information, administrative or consent order or agreement, litigation or settlement by any Governmental Authority or subject to any investigatory or remedial obligations under any Environmental Laws or the common law with respect to the presence or suspected presence of Hazardous Materials Contamination;

(c) it will not take any action or refrain from taking any action that would cause it to be subject to any liability or obligation relating to: (i) the environmental conditions on, under or about the Series 2019 Facilities and the Premises, including without limitation, the air, soil, surface and groundwater conditions; or (ii) the use, management, handling, transport, treatment, generation, storage, disposal, release or discharge of any Hazardous Materials;

(d) it will not do or refrain from doing anything that will require it to obtain or make application for any permits, licenses or similar authorizations to construct, occupy, operate or use, or relating to the existence of any Series 2019 Facilities and the Premises by reason of any Environmental Laws;

(e) it will take all steps necessary to determine that no Hazardous Materials will be located on the Premises or have escaped or been released into the environment, or deposited, spilled, leaked, discharged, or disposed of at, on, from, under or near such Series 2019 Facilities and the Premises or any portion thereof. No portion of such Series 2019 Facilities and the Premises will be used by any person at any time for the generation, disposal, storage, treatment, processing or other handling of Hazardous Materials, nor will any part of such Series 2019 Facilities and the Premises be affected by any Hazardous Materials Contamination;

(f) it will cause each of its contractors, tenants and invitees, including any manager of any improvements of the Premises, to comply in all respects with the requirements of all Governmental Authorities pursuant to Environmental Laws or the common law. The Corporation shall not cause or permit any Hazardous Materials to be brought upon or kept or used on or about the Premises in violation of any Environmental Law or which results in any Hazardous Materials Contamination;

(g) it agrees to immediately notify the Board and to provide the Board with copies of any notifications of discharges or releases or threatened releases or discharges of a Hazardous Material on, upon, into, or from the Premises which are given or required to be given by or on behalf of the Corporation to any Governmental Authorities. Such copies of notifications shall be delivered to the School Board at the same time as they are delivered to the Governmental Authorities. The Corporation further agrees promptly to undertake and diligently pursue to completion any appropriate and legally required or authorized investigation, abatement and remedial containment and cleanup action in the event of any release or discharge, or threatened release or discharge, of a Hazardous Material on, upon, into or from the Premises;

(h) if it shall become aware of or receive notice or other communication concerning any actual, alleged, suspected or threatened violation of Environmental Laws, or liability for

any Hazardous Materials Contamination in connection with the Premises or past or present activities of any person thereon, or that any representation set forth in this Section 24 is not or is no longer accurate, including but not limited to notice or other communication concerning any actual or threatened investigation, inquiry, lawsuit, notice, order, writ, or injunction, relating to same, then the Corporation shall deliver to the Board and its assignees, within ten (10) days of the receipt of such notice or communication, a written description of said violation, liability, correcting information, or actual or threatened event or condition, together with copies of any documents evidencing same. Receipt of such notice shall not be deemed to create any obligation on the part of the Board and its assignees to defend or otherwise respond to any such notification;

(i) in the event of any Hazardous Materials Contamination, the Hazardous Materials Contamination shall be immediately remediated by the Corporation and all Hazardous Materials removed from the Premises as required by and in accordance with all Environmental Laws and as necessary to safeguard the public health and the environment, at the Corporation's sole cost and expense. In the course of remediating any Hazardous Material Contamination, or in the event the Corporation is required to remove Hazardous Materials from the Premises by any Governmental Authority, such Hazardous Materials shall be handled, removed, used or disposed of in accordance with all Environmental Laws and prudent industry practices regarding management of such Hazardous Materials;

(j) except in strict compliance with all Environmental Laws, the Corporation shall not cause, permit or suffer any Hazardous Material to be brought upon, treated, kept, stored, disposed of, discharged, released, produced, manufactured, generated, refined or used upon, about or beneath the Premises or any portion thereof by it or by its respective agents, employees, contractors, tenants or invitees, or any other person;

(k) it shall not cause, permit or suffer the existence or the commission by it or by its respective agents, employees, contractors, tenants or invitees, or by any other person of a violation of any Environmental Laws or Hazardous Materials Contamination upon, about or beneath the Premises or any portion thereof; and

(l) it shall not create, or suffer to exist with respect to the Premises, any Lien, security interest or other charge or Encumbrance imposed pursuant to CERCLA or any similar Environmental Law.

Notwithstanding anything herein to the contrary, neither the Corporation nor the Trustee shall be required to remedy a violation of any Environmental Laws or any Hazardous Materials Contamination which existed prior to the termination of the Lease Term of the Series 2019 Lease. In the event that at any time the Lessee's interest hereunder shall be mortgaged, subleased or assigned to a Permitted Transferee, such Permitted Transferee shall be required to agree in writing to the provisions of this Section 24 for the benefit of the School Board. In the event the Trustee causes a Permitted Transferee to assume the obligations set forth in this Section 24, the Trustee shall be released from such obligations. Moreover, if the Trustee



expressly permits the Board to have access to the Premises following termination of the Lease Term of the Series 2019 Lease solely for the purpose of maintaining and securing (as opposed to occupying) the same, the Trustee shall have no liability under this Section 24 and the Board, as owner of the fee interest in the Premises, shall be responsible for the obligations set forth in this Section 24.

**SECTION 25. NONRECOURSE OBLIGATION OF THE CORPORATION.**

Notwithstanding anything to the contrary herein or in any exhibit, instrument, document or paper relating to this Ground Lease or any of the transactions contemplated hereby, the parties hereto hereby acknowledge and agree that upon the assignment by the Corporation of its rights hereunder to the Trustee pursuant to the Assignment of Series 2019 Lease and Assignment of Ground Lease Agreement, the Corporation shall have no further obligation, liability or responsibility hereunder and no party hereto nor their successors or assigns shall look to the Corporation for any damages, expenses, fees, charges or claims with respect to the failure of any obligations hereunder to be performed.

**SECTION 26. NO RECOURSE UNDER AGREEMENT.** All covenants, stipulations promises, agreements and obligations of the parties hereto contained in this Ground Lease shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the parties hereto, respectively, and not of any member, officer, employee or agent of the parties hereto in an individual capacity, and no recourse shall be had for the payment of rent pursuant to Section 4 hereof or for any claim based thereon under this Ground Lease against any member, officer, employee or agent of the parties hereto.

**SECTION 27. RADON.** Section 404.056(5), Florida Statutes, requires that the following notification be given: "RADON GAS: Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in building in Florida. Additional information regarding radon and radon testing may be obtained from your county health department."

**SECTION 28. USE OF THE TERM "CORPORATION".** When used herein, all references to the capitalized term "Corporation" shall be deemed to include its successors in interest hereunder, including without limitation, the Trustee as assignee of the Corporation and any Permitted Transferee that succeeds to the estate of the Trustee as its successor hereunder.

**SECTION 29. MISCELLANEOUS.** (a) This Ground Lease shall be governed by, and be construed in accordance with, the laws of the State of Florida.

(b) Any notice required or desired to be given hereunder, or any items required or desired to be delivered hereunder, may be served or delivered personally or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Board and the Corporation:

The School Board of Bay County, Florida  
1311 Balboa Avenue

Panama City, Florida 32401  
Attention: Superintendent

If to the Trustee:

Hancock Bank, a trade name of Whitney  
Bank, a Mississippi Charter Bank  
133 Terra Mango Loop, Suite 200  
Orlando, Florida 32835  
Attention: Corporate Trust

or such other address or party as the party to be served may direct by written notice to the other party. If such notice is sent or delivery is made by registered or certified mail, such notice or delivery shall be deemed served, made and effective seventy-two (72) hours after posting.

(c) It is mutually acknowledged and agreed by the parties hereto that this Ground Lease contains the entire agreement between the Board and the Corporation with respect to the subject matter of this Ground Lease; that there are no verbal agreements, representations, warranties or other understandings affecting the same.

(d) Nothing herein contained shall be deemed to create a partnership or joint venture, nor shall the relationship between the parties be construed as principal and agent, or other than as landlord and tenant.

(e) The table of contents, headings and captions of this Ground Lease are inserted solely for convenience of reference, and under no circumstances shall they be treated or construed as part of, or as affecting, this Ground Lease.

(f) For purposes of computing any period of a number of days hereunder for notices or performance (but not for actual days of interest) of ten (10) days or fewer, Saturdays, Sundays and holidays shall be excluded.

(g) Any provision of this instrument in violation of the laws of the State of Florida shall be ineffective to the extent of such violation, without invalidating the remaining provisions of this instrument. In no event shall the Corporation or its assigns have any cause of actions against the officers or employees of the Board, or against any elected official of the Board based upon or materially related to any finding by any court that any or all provisions of this instrument violate Florida law.

(h) Nothing in this Ground Lease, expressed or implied, is to or shall be construed to confer upon or to give to any person or party other than the Corporation, and its assignee, the Credit Enhancer, if any, and the Board any rights, remedies or claims under or by reason of this Ground Lease or any covenants, condition or stipulation hereof; and all covenants, stipulations, promises and agreements in this Ground Lease contained by or on behalf of the Corporation or

the Board shall be for the sole and exclusive benefit of the Corporation, and its assignee, the Credit Enhancer, if any, and the Board.

(i) This Ground Lease may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original, and such counterparts shall constitute but one and the same instrument.

(j) This Ground Lease may not be amended or modified without the prior written consent of the Credit Enhancer, if any.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Board and the Corporation have caused this Ground Lease to be executed in duplicate, either of which may be considered an original, the day and year first above written.

**THE SCHOOL BOARD OF BAY COUNTY, FLORIDA, as Lessor**

(SEAL)

By: \_\_\_\_\_  
Name:  
Title: Chairperson

ATTEST:

By: \_\_\_\_\_  
Name: William V. Husfelt, III  
Title: Secretary-Superintendent

STATE OF FLORIDA  
COUNTY OF BAY

The foregoing instrument was acknowledged before me this \_\_\_\_ day of December, 2019, by \_\_\_\_\_ and William V. Husfelt, III, as the Chairman and the Secretary-Superintendent, respectively, of THE SCHOOL BOARD OF BAY COUNTY, FLORIDA, which is the governing body of the School District of Bay County, Florida. They are personally known to me or have produced \_\_\_\_\_ as identification and have not taken an oath.

NOTARY PUBLIC:

Sign: \_\_\_\_\_  
Print: \_\_\_\_\_  
State of Florida At Large  
My Commission Expires:  
Commission Number:

(SEAL)

**BAY COUNTY EDUCATIONAL  
FACILITIES FINANCE CORPORATION,**  
a Florida not-for-profit Corporation,  
as Lessee

(SEAL)

By: \_\_\_\_\_  
Name:  
Title: President

ATTEST:

By: \_\_\_\_\_  
Name: William V. Husfelt, III  
Title: Secretary

STATE OF FLORIDA  
COUNTY OF BAY

The foregoing instrument was acknowledged before me this \_\_\_\_ day of December, 2019, by \_\_\_\_\_ and William V. Husfelt, III, as the President and the Secretary, respectively, of the BAY COUNTY EDUCATIONAL FACILITIES FINANCE CORPORATION, a Florida not-for-profit corporation. They are personally known to me or have produced \_\_\_\_\_ as identification and have not taken an oath.

NOTARY PUBLIC:

Sign: \_\_\_\_\_  
Print: \_\_\_\_\_  
State of Florida At Large  
My Commission Expires:  
Commission Number:

(SEAL)

**EXHIBIT A**

**PREMISES DESCRIPTION**

**EXHIBIT B**

**DESCRIPTION OF SERVIENT PROPERTY**

**EXHIBIT C**

**[FIRST, SECOND, THIRD, ETC.]**

**GROUND LEASE SUPPLEMENT**

This [First, Second, Third, etc.] Ground Lease Supplement ("Subject Supplement") is made and entered into as of \_\_\_\_\_ by THE SCHOOL BOARD OF BAY COUNTY, FLORIDA (the "Board") acting as the governing body of the School District of Bay County, Florida (the "District") and BAY COUNTY EDUCATIONAL FACILITIES FINANCE CORPORATION, a Florida not-for-profit corporation (the "Corporation"). All capitalized terms used herein and not otherwise defined shall have the meaning set forth therefor in the "Ground Lease" as hereinafter set forth.

**WITNESSETH:**

**WHEREAS**, the Board and the Corporation entered into a certain Ground Lease Agreement (the "Ground Lease") a memorandum of which was recorded in Official Records Book \_\_\_\_ at Page \_\_\_\_ of the Public Records of Bay County, Florida; and

**WHEREAS**, the Board owns that certain real property more particularly described in Exhibit A attached hereto and made a part hereof ("Subject Parcel"); and

**WHEREAS**, the Subject Parcel is a portion of the Project and, as such, is to be subject to the Ground Lease as contemplated thereby; and

**NOW, THEREFORE**, in consideration of the premises and for Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency whereof is hereby acknowledged by each party hereto by the other party hereto, the parties hereto do hereby acknowledge and agree as follows:

(1) The foregoing recitations are true and correct and are incorporated herein by reference.

(2) The Subject Parcel is hereby declared to be a part of the Premises (as defined in the Ground Lease) which constitutes a portion of the Project and, therefore, is a part of the Premises as set forth in the Ground Lease with the leasehold estate, operation and effect of the Ground Lease with the leasehold estate, operation and effect of the Ground Lease applying to the Subject Parcel as fully and to the same extent as if the Subject Parcel were described in the Ground Lease and therein set forth to be a part of the Premises.

(3) The Ground Lease, [as modified by previous Ground Lease Supplements and] as modified hereby remains in full force and effect in accordance with the terms and provisions thereof.



IN WITNESS WHEREOF, each of the parties hereto have caused this Subject Supplement to be executed by their duly authorized officers or agents, all as of the day and year first above written.

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

ATTEST:

\_\_\_\_\_  
Its: Secretary

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

(SEAL)

STATE OF FLORIDA  
COUNTY OF BAY

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 20\_\_, by \_\_\_\_\_, and \_\_\_\_\_, as the Chairman and the Secretary, respectively, of THE SCHOOL BOARD OF BAY COUNTY, FLORIDA, which is the governing body of the School District of Bay County, Florida. They are personally known to me or have produced \_\_\_\_\_ as identification and have not taken an oath.

NOTARY PUBLIC:

Sign: \_\_\_\_\_

Print: \_\_\_\_\_

My Commission Expires:

Title/Rank: \_\_\_\_\_

Commission Number: \_\_\_\_\_

(SEAL)

**BAY SCHOOL BOARD LEASING CORPORATION**, a Florida not-for-profit corporation

ATTEST:

\_\_\_\_\_  
Title: Secretary

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

[SEAL]

**SIMULTANEOUS ASSIGNMENT**

All of the rights of Bay County Educational Facilities Finance Corporation hereunder are hereby assigned without recourse or warranty to \_\_\_\_\_, as Trustee, as successor in interest to and assignee of Bay County Educational Facilities Finance Corporation under the Assignment.

**BAY SCHOOL BOARD LEASING CORPORATION, a Florida not-for-profit corporation**

(SEAL)

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

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

STATE OF FLORIDA  
COUNTY OF BAY

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_, 20\_\_ by \_\_\_\_\_, and \_\_\_\_\_, as the President and the Secretary, respectively, of the BAY COUNTY EDUCATIONAL FACILITIES FINANCE CORPORATION, a Florida not-for-profit corporation. They are personally known to me or have produced \_\_\_\_\_ as identification and have not taken an oath.

NOTARY PUBLIC:  
Sign: \_\_\_\_\_  
Print: \_\_\_\_\_  
My Commission Expires:  
Commission Number:

(Seal)

## EXHIBIT "D"

### DEFINITIONS OF CERTAIN TERMS

"**Encumbrances**" shall mean any mortgage, pledge, security interest, Lien, charge, encumbrance, claim, lease, management contract, covenant, easement, restriction or other matter burdening title to applicable property.

"**Environmental Assessment**" shall mean an environmental site assessment conducted by a reputable, professional environmental consultant for the purpose of determining the existence, nature and extent of any Hazardous Material Contamination relating to the Premises including, but not limited to, any air, soil, surface water or groundwater sampling or other testing that may be necessary to identify and characterize any Hazardous Materials contamination.

"**Environmental Laws**" shall mean and include all federal, state and local statutes, ordinances, regulation and rules regulating to environmental quality, health, safety, contamination and clean-up, including without limitation, the Clean Air Act, 42 U.S.C. Section 7401 et seq.; the Clean Water Act, 33 U.S.C. Section 1251 et seq.; the Water Quality Act of 1987; the Federal Insecticide, Fungicide, and Rodenticide Act ("FIFRA"), 7 U.S.C. Section 136 et seq.; the Marine Protection, Research and Sanctuaries Act, 33 U.S.C. Section 1401, et seq.; the National Environmental Policy Act, 42 U.S.C. Section 4321 et seq.; the Noise Control Act, 48 U.S.C. Section 4901 et seq.; the Occupational Safety and Health Act, 29 U.S.C. Section 651 et seq.; the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. Section 4901 et seq., as amended by the Hazardous and Solid Waste Amendments of 1984; the Safe Drinking Water Act, 42 U.S.C. Section 300f et seq.; the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. Section 9601 et seq., as amended by the Superfund Amendments and Reauthorization Act, the Emergency Planning and Community Right-to-Know Act, and Radon Gas and Indoor Air Quality Research Act; the Toxic Substances Control Act ("TSCA"), 15 U.S.C. Section 2601 et seq.; the Atomic Energy Act, 42 U.S.C. Section 2011 et seq.; and the Nuclear Waste Policy Act of 1982, 42 U.S.C. Section 10101 et seq.; and state Lien and super Lien and environmental clean-up statutes, with implementing regulation and guidelines. Environmental Laws shall also include all state, regional, county, municipal and other local laws, regulations and ordinances insofar as they are equivalent or similar to the federal laws recited above or purport to regulate Hazardous Materials.

"**EPA**" shall mean the United States Environmental Protection Agency.

"**Governmental Authority**" shall mean the United States, the EPA, any state, county, city or other political subdivision, agency or instrumentality exercising executive, legislative, Judicial, regulatory or administrative jurisdiction over the Corporation, the Board or the Premises of the Series 2019 Facilities.

**"Hazardous Materials"** shall mean and include the following, including mixtures thereof: any hazardous substance, pollutant, contaminant, waste by-product or constituent regulated under "CERCLA"; oil and petroleum products and natural gas, natural gas liquids, liquefied natural gas and synthetic gas usable for fuel; pesticides regulated under "FIFRA"; asbestos and asbestos-containing materials, PCBs and other substances regulated under "TSCA;" source material, special nuclear material, by-product material and any other materials or radioactive wastes, however produced, regulated under the Atomic Energy Act or the Nuclear Waste Policy Act; chemicals subject to the OSHA Hazard Communication Standard, 29 C.F.R. 1910.1200 et seq. and any other substance regulated under any other "Environmental Law."

**"Hazardous Materials Contamination"** shall mean the contamination (whether presently existing or hereafter occurring) of the Series 2019 Facilities or improvements, air, soil, groundwater, surface water or other elements of the Premises or other property as a result of the presence of Hazardous Materials on the Project at any time.

**"Lien,"** as applied to the property of any Person, shall mean (in each case, whether the same is consensual or nonconsensual or arises by contract, operation of law, legal process or otherwise): (a) any mortgage, Lien, pledge, attachment, charge, finance lease, conditional sale or other title retention agreement, or other security interest or encumbrance of any kind in respect of any property of such Person, or upon the income or profits therefrom; and (b) any arrangement, expressed or implied, under which any property of such Person is transferred, sequestered or otherwise identified for the purpose of securing indebtedness or performance of any other obligation in priority to the payment of the general unsecured creditors of such Person.

**"Opinion of Counsel"** shall mean an opinion signed by an attorney or firm of attorneys of recognized standing and who are qualified to pass on the legality of the particular matter (who may be counsel to the Board or Special Counsel) selected by the Board.

**"Permitted Encumbrances"** shall mean in regard to the Premises:

- (i) the Series 2019 Lease and any Liens and encumbrances created or permitted thereby;
- (ii) the Series 2019 Assignment Agreement and any Liens and encumbrances created or permitted thereby;
- (iii) the Trust Agreement and Liens and encumbrances created or permitted thereby;
- (iv) this Ground Lease and any Liens and encumbrances created or permitted thereby;

(v) subject to the provisions of Section 5.01 of the Series 2019 Lease, any mechanic's, laborer's, materialman's, supplier's or vendor's Lien or right in respect thereof if payment is not yet due under the contract in question or if such Lien is being contested in accordance with the provisions of the Master Lease;

(a) rights reserved to or vested in any municipality or public authority by the terms of any right, power, franchise, grant, license, permit or provision of law;

(b) any Liens for taxes, assessments, levies, fees, water and sewer rents or charges and other government and similar charges, which are not due and payable or which are not delinquent or the amount or validity of which are being contested and execution thereon is stayed;

(c) easements, rights-of-way, servitudes, restrictions, oil, gas or other mineral reservations and other minor defects, encumbrances and irregularities in the title to any property which, in the Opinion of Counsel, do not materially impair the use of such property or materially and adversely affect the value thereof or have a materially adverse affect on the benefits enjoyed by Series 2019 Certificate holders in the Premises; and

(d) rights reserved to or vested in any municipality or public authority to control or regulate any property or to use such property in any manner that does not in the Opinion of Counsel, have a materially adverse affect the use of the Premises for educational purposes or the benefits enjoyed by Series 2019 Certificate holders in the Premises; and

(vi) any other Liens or Encumbrances permitted by Lease Schedule No. 2019 relating to the Premises, provided such Lien or Encumbrance shall not, as expressed in an Opinion of Counsel, have a materially adverse affect on the intended use of such Premises by the Board for educational purposes or the benefits enjoyed by the Series 2019 Certificate holders in the Premises.

**"Person"** shall mean an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization or a government or political subdivision thereof or any other entity.

**EXHIBIT E**

**FORM OF SERIES 2019 ASSIGNMENT AGREEMENT**

**SERIES 2019 ASSIGNMENT AGREEMENT**

**by and between**

**BAY COUNTY EDUCATIONAL FACILITIES FINANCE CORPORATION,  
as Lessor**

**and**

**HANCOCK BANK, A TRADE NAME OF WHITNEY BANK,  
A MISSISSIPPI CHARTER BANK,  
as Trustee**

**Dated as of December 1, 2019**

## SERIES 2019 ASSIGNMENT AGREEMENT

**THIS SERIES 2019 ASSIGNMENT AGREEMENT**, is made and entered into as of December 1, 2019, by and between the **BAY COUNTY EDUCATIONAL FACILITIES FINANCE CORPORATION**, a not-for-profit corporation duly organized and existing under the laws of the State of Florida (the "Corporation") and **HANCOCK BANK, A TRADE NAME OF WHITNEY BANK, A MISSISSIPPI CHARTER BANK**, qualified to do business in the State of Florida, with corporate trust powers and duly qualified to enter into this Series 2019 Assignment Agreement (the "Trustee");

### WITNESSETH:

In the joint and initial exercise of their powers, in consideration of the mutual covenants herein contained, and for other valuable consideration, the parties hereto recite and agree as follows:

#### SECTION 1. RECITALS.

(a) The Corporation and The School Board of Board County, Florida (the "Board") have entered into the Master Lease-Purchase Agreement, dated as of November 1, 1994 (which, together with all amendments and Lease Schedules thereto, shall be referred to herein as the "Lease Agreement"), between the Corporation and the Board, whereby the Corporation has agreed to lease to the Board, and the Board has agreed to lease from the Corporation, the Projects, as described in the Lease Agreement.

(b) The Certificates shall be issued from time to time in order to finance the acquisition, construction and installation of the Projects and the proceeds of the Certificates shall be deposited with the Trustee and shall be held and applied in accordance with the Trust Agreement.

(c) The Board and the Corporation have agreed to finance certain capital projects and in connection therewith have entered into Lease Schedule No. 2019.

(d) Pursuant to the Lease Agreement, the Board is obligated to make certain Lease Payments to the Corporation, or its assignee. In order to secure the Certificates, the Corporation is willing to assign and transfer its rights and interests under the Lease Agreement to the Trustee for the benefit of the Owners of the Certificates.

(e) Each of the parties hereto has authority to enter into this Series 2019 Assignment Agreement, and has taken all actions necessary to authorize its officer to enter into it.

(f) The capitalized words and terms used in this Series 2019 Assignment Agreement, but not otherwise defined herein, shall have the meanings assigned to such words and terms in Exhibit A to the Lease Agreement.



**SECTION 2. ASSIGNMENT.** The Corporation, for good and valuable consideration received, does hereby irrevocably sell, assign and transfer to the Trustee, for the benefit of the Owners of the Certificates, all of its right, title and interest in the Lease Agreement (other than the right to receive indemnification pursuant to the Lease Agreement, the right to enter into Lease Schedules from time to time and its obligations provided in Section 6.03 of the Lease Agreement), including its right to receive Lease Payments from the Board under the Lease Agreement and its right to use, sell and re-let the Projects (under the circumstances contemplated by the Lease Agreement), and the right to exercise such rights and remedies as are conferred on the Corporation by the Lease Agreement. All rights of the Corporation in Lease Schedule No. 2019 shall be assigned to the Trustee upon execution and delivery thereof to secure the Series 2019 Certificates issued pursuant to the Master Trust Agreement, dated as of November 1, 1994, between the Corporation and the Trustee, as supplemented by the Series 2019 Supplemental Trust Agreement, dated as of December 1, 2019, by and among the Board, the Corporation, and the Trustee (which, together with all amendments and supplements thereto, shall be referred to herein as the "Trust Agreement"). The Lease Payments shall be applied, and the rights so assigned shall be exercised, by the Trustee as provided in the Trust Agreement. The sale, assignment and conveyance of the rights, title and interest of the Corporation under and to the Lease Agreement are immediately complete and effective for all purposes.

**SECTION 3. ACCEPTANCE.** The Trustee hereby accepts such assignment in trust for the purpose of securing payment of the Certificates and securing the rights of the Owners of the Certificates issued pursuant to the Trust Agreement.

**SECTION 4. CONDITIONS.** This Series 2019 Assignment Agreement shall confer no rights and impose no duties upon the Trustee beyond those expressly provided in the Trust Agreement.

**SECTION 5. REPRESENTATIONS AND AGREEMENTS.**

(a) With respect to the sale, assignment and conveyance of the rights, title and interest of the Corporation under the Lease Agreement and each Lease Schedule, the Corporation represents, warrants and covenants to and with the Trustee, for the benefit of the Owners of the Certificates, that:

(i) The Corporation is a not-for-profit corporation duly organized, validly existing and in good standing under the laws of the State of Florida, with corporate powers and authority to own its property and carry on its business as now being conducted.

(ii) The Corporation is duly qualified to transact business and hold property and is in good standing in the State of Florida and wherever necessary to perform its obligations under the Lease Agreement, the Trust Agreement and this Series 2019 Assignment Agreement.

(iii) The Corporation has full power, authority and legal right to enter into and perform its obligations under the Lease Agreement, the Trust Agreement and this Series 2019 Assignment Agreement; and the execution, delivery and performance of the Lease Agreement, the Trust Agreement and this Series 2019 Assignment Agreement by the Corporation have been duly authorized by all necessary corporate actions on the part of the Corporation, do not require any stockholder approval or the approval or consent of any trustee or holder of any indebtedness or obligations of the Corporation or any other Person or such required approvals and consents have heretofore been duly obtained.

(iv) The execution, delivery and performance of the Lease Agreement, the Trust Agreement and this Series 2019 Assignment Agreement do not contravene any provision of any Articles of Incorporation or Bylaws of the Corporation, and do not and will not conflict with, violate or result in any breach of or constitute a default under any indenture, mortgage, contract, agreement or instrument to which the Corporation is a party or by which it or any of its property is bound or any constitutional or statutory provision, or order, rule, regulation, decree or ordinance of any federal or state court, government or governmental body having jurisdiction over the Corporation or any of its properties and by which the Corporation or any of its property is bound.

(v) To the Corporation's knowledge, the Lease Agreement and the Trust Agreement are in full force and effect and the Corporation is not in default thereunder; and, the Lease Agreement, the Trust Agreement and this Series 2019 Assignment Agreement are legal, valid and binding obligations of the Corporation, enforceable against the Corporation in accordance with their respective terms, all such enforcement being subject to certain laws relating to bankruptcy, reorganizations, moratoriums and creditors' rights generally and to the exercise of judicial discretion in accordance with general principles of equity.

(vi) The Corporation has complied, and will at all times hereafter comply, with and duly perform its obligations under the Lease Agreement, the Trust Agreement and this Series 2019 Assignment Agreement.

(vii) There is no pending, or to the knowledge of the Corporation, threatened action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or governmental agency in any way affecting the ability of the Corporation to perform its obligations under the Lease Agreement, the Trust Agreement or this Series 2019 Assignment Agreement.

(viii) The Lease Agreement and the lease rights thereunder being herein assigned are free and clear of all claims, liens, mortgages, security interests and encumbrances arising through any act or omissions of the Corporation or any Person claiming by, through or under it, except the rights of the Board under the Lease Agreement and encumbrances permitted thereunder, including the Permitted Encumbrances.

(b) From and after the date of delivery to the Trustee of this Series 2019 Assignment Agreement, the Corporation shall have no further rights or interest under the Lease Agreement with respect to same or in any Lease Payments (except any rights of indemnification of the Corporation under the Lease Agreement and any Lease Schedules and obligations under Section 6.03 of the Lease Agreement), the Projects or other moneys due with respect thereto or to become due under the Lease Agreement.

(c) The Corporation agrees to execute and deliver to the Trustee, upon request by the Trustee or the Owners of a majority in principal amount of the Certificates, any documents deemed necessary by the Trustee or such Owners to evidence further the assignment and conveyance herein made with respect to the Lease Agreement.

(d) The Corporation hereby irrevocably constitutes and appoints the Trustee, or its successors or assigns, as its lawful attorney, with full power of substitution and resubstitution, to collect and to sue on behalf of the Corporation in the name of the Corporation or otherwise in any court for any Lease Payments or other amounts due under the Lease Agreement, or any part thereof, to withdraw or settle any claims, suits or proceedings pertaining to or arising out of the Lease Agreement or pertaining to the Projects upon any terms, all without the assent of the Corporation; and, further, to take possession of and to endorse in the name of the Corporation any instrument for the payment of moneys received on account of the Lease Payments or other amounts due under the Lease Agreement.

(e) The Corporation has authorized and directed the Board to pay to the Trustee, its successors and assigns, all Lease Payments and all other amounts due and payable under the Lease Agreement.

(f) In order to secure payment of the Certificates, the Corporation hereby authorizes the Trustee to take possession of the Projects, and title thereto if it is deemed appropriate, and sell or relet such Projects, or any portion thereof, in the circumstances described in the Trust Agreement.

**SECTION 6. NON-RECOURSE.** The parties hereto agree that the assignment contained in this Series 2019 Assignment Agreement shall be non-recourse with respect to the Corporation, and the Corporation shall have no liability hereunder to the Trustee or the Owners of any Certificates, with respect to the occurrence of an Event of Default or Event of Non-Appropriation by the Board under the Lease Agreement.

**SECTION 7. NO INDIVIDUAL LIABILITY.** All covenants, stipulations, promises, agreements and obligations of the parties hereto contained in this Series 2019 Assignment Agreement shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the parties hereto, respectively, and not of any member, officer, employee or agent of the parties hereto in an individual capacity, and no recourse shall be had for the assignment effected by Section

2 hereof or for any claim based thereon under this Series 2019 Assignment Agreement against any member, officer, employee or agent of the parties hereto.

**SECTION 8. COUNTERPARTS.** This Series 2019 Assignment Agreement may be executed in counterparts, and each of said counterparts shall be deemed an original for all purposes of this Series 2019 Assignment Agreement. All of such counterparts taken together shall be deemed to be one and the same instrument.

**SECTION 9. LAW.** This Series 2019 Assignment Agreement shall be construed under the laws of the State of Florida.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Bay County Educational Facilities Finance Corporation, by its officer thereunto duly authorized, has affixed its corporate name and seal as of the \_\_\_\_ day of December 2019.

**BAY COUNTY EDUCATIONAL FACILITIES FINANCE CORPORATION**, a Florida not-for-profit Corporation, as Lessee

(SEAL)

By: \_\_\_\_\_  
Name:  
Title: President

ATTEST:

By: \_\_\_\_\_  
Name: William V. Husfelt, III  
Title: Secretary

STATE OF FLORIDA  
COUNTY OF BAY

The foregoing instrument was acknowledged before me this \_\_\_\_ day of December, 2019, by \_\_\_\_\_ and William V. Husfelt, III, as the President and the Secretary, respectively, of the BAY COUNTY EDUCATIONAL FACILITIES FINANCE CORPORATION, a Florida not-for-profit corporation. They are personally known to me or have produced \_\_\_\_\_ as identification and have not taken an oath.

NOTARY PUBLIC:

Sign: \_\_\_\_\_  
Print: \_\_\_\_\_  
State of Florida At Large  
My Commission Expires:  
Commission Number:

(SEAL)

IN WITNESS WHEREOF, Hancock Bank, a trade name of Whitney Bank, a Mississippi charter bank, by its officer thereunto duly authorized, has affixed its corporate name and seal as of the \_\_\_\_ day of December 2019.

**HANCOCK BANK, A TRADE NAME OF  
WHITNEY BANK, A MISSISSIPPI  
CHARTER BANK, as Trustee**

(SEAL)

By: \_\_\_\_\_  
Name:  
Title: Vice President

STATE OF FLORIDA  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_ day of December, 2019, by \_\_\_\_\_, as the Vice President of the HANCOCK BANK, A TRADE NAME OF WHITNEY BANK, A MISSISSIPPI CHARTER BANK. They are personally known to me or have produced \_\_\_\_\_ as identification and have not taken an oath.

NOTARY PUBLIC:

Sign: \_\_\_\_\_  
Print: \_\_\_\_\_  
State of Florida At Large  
My Commission Expires:  
Commission Number:

(SEAL)

**EXHIBIT F**

**FORM OF SERIES 2019 ASSIGNMENT OF GROUND LEASE**

This document prepared by:

George A. Smith, Jr.  
Bryant Miller Olive P.A.  
101 North Monroe Street  
Suite 900  
Tallahassee, Florida 32301

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**SERIES 2019 ASSIGNMENT  
OF GROUND LEASE AGREEMENT**

**by and between**

**BAY COUNTY EDUCATIONAL FACILITIES FINANCE CORPORATION  
(the "Corporation")**

**and**

**HANCOCK BANK, A TRADE NAME OF WHITNEY BANK,  
A MISSISSIPPI CHARTER BANK  
(the "Trustee")**

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**SERIES 2019  
ASSIGNMENT OF GROUND LEASE AGREEMENT**

**KNOW ALL MEN BY THESE PRESENTS**, that the **BAY COUNTY EDUCATIONAL FACILITIES FINANCE CORPORATION**, a Florida not-for-profit corporation (the "Corporation"), for and in consideration of Ten Dollars (\$10.00) and other good and valuable considerations to it in hand paid by **HANCOCK BANK, A TRADE NAME OF WHITNEY BANK, A MISSISSIPPI CHARTER BANK**, not in its individual capacity, but solely as trustee (the "Trustee") under the Master Trust Agreement dated as of November 1, 1994 and the Series 2019 Supplemental Trust Agreement, dated as of December 1, 2019, each between the Corporation and the Trustee, the receipt of which is hereby acknowledged, has sold, assigned, transferred and set over, and by these presents does sell, assign, transfer and set over unto the Trustee the following:

The instrument of ground lease and the leasehold estate created by said instrument of ground lease, being that certain Series 2019 Ground Lease Agreement, dated as of December 1, 2019, as same may be supplemented, modified or amended from time to time, a Memorandum of Lease and Notice of Option describing the Lease Agreement which has been duly recorded in the public records of Bay County, Florida, granted by The School Board of Bay County, Florida, (the "Board"), acting as the governing body of the School District of Bay County, Florida to the Corporation in and to the Premises described therein; and

**TO HAVE AND TO HOLD THE** said instrument of ground lease, the leasehold estate created thereby, and any buildings and improvements thereon, unto Trustee, its successors and assigns forever; and

The Corporation does hereby covenant with the Trustee as grantee and assignee, its successors and assigns, that the Corporation (i) is the true and lawful owner of the leasehold estate created thereby, (ii) has good right to bargain, sell and transfer the same hereby, (iii) such leasehold estate of the Corporation is free and clear of any lien or encumbrance created by the Corporation, except for the "Series 2019 Lease" (as defined in the Ground Lease), (iv) that as of the date hereof there is no default under the terms of said Ground Lease, and (v) from and after this Assignment, the Corporation will have no further interest in such Ground Lease or the leasehold estate thereby created.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Bay County Educational Facilities Finance Corporation, by its officer thereunto duly authorized, has affixed its corporate name and seal as of the \_\_\_\_ day of December 2019.

**BAY COUNTY EDUCATIONAL  
FACILITIES FINANCE CORPORATION**, a  
Florida not-for-profit Corporation,  
as Lessee

(SEAL)

By: \_\_\_\_\_  
Name:  
Title: President

ATTEST:

By: \_\_\_\_\_  
Name: William V. Husfelt, III  
Title: Secretary

STATE OF FLORIDA  
COUNTY OF BAY

The foregoing instrument was acknowledged before me this \_\_\_\_ day of December, 2019, by \_\_\_\_\_ and William V. Husfelt, III, as the President and the Secretary, respectively, of the BAY COUNTY EDUCATIONAL FACILITIES FINANCE CORPORATION, a Florida not-for-profit corporation. They are personally known to me or have produced \_\_\_\_\_ as identification and have not taken an oath.

NOTARY PUBLIC:

Sign: \_\_\_\_\_  
Print: \_\_\_\_\_  
State of Florida At Large  
My Commission Expires:  
Commission Number:

(SEAL)

IN WITNESS WHEREOF, Hancock Bank, a trade name of Whitney Bank, a Mississippi charter bank, by its officer thereunto duly authorized, has affixed its corporate name and seal as of the \_\_\_\_ day of December 2019.

**HANCOCK BANK, A TRADE NAME OF  
WHITNEY BANK, A MISSISSIPPI  
CHARTER BANK, as Trustee**

(SEAL)

\_\_\_\_\_

By:

Name:

Title: Vice President

STATE OF FLORIDA

COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_ day of December, 2019, by \_\_\_\_\_, as the Vice President of the HANCOCK BANK, A TRADE NAME OF WHITNEY BANK, A MISSISSIPPI CHARTER BANK. They are personally known to me or have produced \_\_\_\_\_ as identification and have not taken an oath.

NOTARY PUBLIC:

Sign: \_\_\_\_\_

Print: \_\_\_\_\_

State of Florida At Large

My Commission Expires:

Commission Number:

(SEAL)