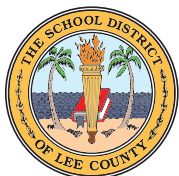


In the opinion of Greenberg Traurig, P.A., Special Tax Counsel, assuming continuing compliance with certain tax covenants and the accuracy of certain representations and certifications of the School Board, under existing statutes, regulations, rulings and court decisions, the portion of the Basic Lease Payments designated and paid as interest to the Series 2026A Certificate holders will be excludable from gross income for federal income tax purposes; and, further, the portion of the Basic Lease Payments designated and paid as interest to the Series 2026A Certificate holders will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. In the case of the alternative minimum tax imposed by Section 55(b)(2) of the Internal Revenue Code of 1986, as amended (the "Code") on applicable corporations (as defined in Section 59(k) of the Code), the portion of the Basic Lease Payments designated and paid as interest to the owners of the Series 2026A Certificates is not excluded from the determination of adjusted financial statement income. No opinion is expressed with respect to the federal income tax consequences of any payments received with respect to the Series 2026A Certificates following termination of the Master Lease as a result of non-appropriation of funds or the occurrence of an event of default thereunder. See "TAX TREATMENT" herein for a description of certain other federal tax consequences of ownership of the Series 2026A Certificates. Special Tax Counsel is further of the opinion that the Series 2026A Certificates and the portion of the Basic Lease Payments designated and paid as interest to the owners of the Series 2026A Certificates will not be subject to taxation under the laws of the State of Florida, except as to estate taxes and taxes under Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations as defined therein; provided, however, that no opinion is expressed with respect to tax consequences under the laws of the State of Florida of any payments received with respect to the Series 2026A Certificates following termination of the Master Lease as a result of non-appropriation of funds or the occurrence of an event of default thereunder.

\$38,830,000*

**CERTIFICATES OF PARTICIPATION, SERIES 2026A
Evidencing Undivided Proportionate Interests of the
Owners thereof in Basic Lease Payments to be made by
THE SCHOOL BOARD OF LEE COUNTY, FLORIDA,
as Lessee, Pursuant to a Master Lease Purchase Agreement
with Lee County School Board Leasing Corporation, as Lessor**



Dated: Date of Delivery

Due: August 1, as shown on the inside cover

The Certificates of Participation, Series 2026A (the "Series 2026A Certificates") offered hereby evidence undivided proportionate interests in a portion of the Basic Lease Payments to be made by The School Board of Lee County, Florida (the "School Board") pursuant to the Master Lease Purchase Agreement, dated as of August 15, 1991, as amended by an Amendment to Master Lease Purchase Agreement, dated as of June 29, 2020 (as amended, the "Master Lease"), as amended and supplemented by Amended and Restated Schedule 2016A, as amended and restated as of August 1, 2026 (together with the Master Lease, the "Series 2016A Lease"), providing for the lease-purchase financing and refinancing of certain educational and related facilities by the School Board and the refunding, on a current basis, of all or a portion of the School Board's outstanding Certificates of Participation, Series 2016A maturing on and after August 1, 2027. The Series 2016A Lease and any other leases heretofore or hereinafter entered into pursuant to the Master Lease shall be collectively referred to herein as the "Leases."

The interest portion of the Basic Lease Payments represented by the Series 2026A Certificates is payable on February 1 and August 1 of each year, commencing February 1, 2027, by check or draft of U.S. Bank Trust Company, National Association, Orlando, Florida, as successor trustee (the "Trustee") and mailed to the Certificate Holder or DTC Participant (defined herein) of record at the address shown on the Certificate register. Such interest portion may be paid by wire transfer within the United States to the registered owners of \$1,000,000 or more in aggregate principal amount of Series 2026A Certificates upon their request in writing received no later than the record date prior to any interest payment date. When issued, the Series 2026A Certificates will initially be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"). Purchasers of the Series 2026A Certificates (the "Beneficial Owners") will not receive physical delivery of Series 2026A Certificates. Ownership by the Beneficial Owners of the Series 2026A Certificates will be evidenced through a book-entry only system of registration. As long as Cede & Co. is the registered owner as nominee of DTC, payment of the principal portion and interest portion of the Basic Lease Payments represented by the Series 2026A Certificates will be made directly to Cede & Co., which will in turn remit such payments to the DTC Participants for subsequent disbursement to the Beneficial Owners. Individuals may purchase beneficial interests in the Series 2026A Certificates in the amount of \$5,000 or integral multiples thereof.

The Series 2026A Certificates are not subject to prepayment prior to maturity. See "THE SERIES 2026A CERTIFICATES – Prepayment" herein.

THE SCHOOL BOARD IS NOT LEGALLY REQUIRED TO APPROPRIATE MONEYS TO MAKE LEASE PAYMENTS. LEASE PAYMENTS ARE PAYABLE FROM FUNDS APPROPRIATED BY THE SCHOOL BOARD FOR SUCH PURPOSE FROM CURRENT OR OTHER FUNDS AUTHORIZED BY LAW AND REGULATIONS OF THE STATE OF FLORIDA DEPARTMENT OF EDUCATION. NONE OF THE DISTRICT, THE SCHOOL BOARD, THE STATE OF FLORIDA, NOR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF IS OBLIGATED TO PAY, EXCEPT FROM APPROPRIATED FUNDS, ANY SUMS DUE UNDER THE LEASES FROM ANY SOURCE OF TAXATION. THE FULL FAITH AND CREDIT OF THE SCHOOL BOARD AND THE DISTRICT IS NOT PLEDGED FOR PAYMENT OF SUCH SUMS DUE THEREUNDER AND SUCH SUMS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE SCHOOL BOARD OR THE DISTRICT WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. SEE "RISK FACTORS" HEREIN.

SEE INSIDE COVER FOR MATURITY SCHEDULES

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

The Series 2026A Certificates are offered when, as and if delivered and received by the Underwriter, subject to the approving legal opinion of Greenberg Traurig, P.A., Miami, Florida, Special Tax Counsel, and certain other conditions. Certain legal matters will be passed upon for the School Board by Robert Dodig, Esq., School Board Attorney, and Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Disclosure Counsel. Bryant Miller Olive P.A., Tampa, Florida, is serving as Counsel to the Underwriter. Ford & Associates, Inc., Tampa, Florida is acting as Municipal Advisor to the School Board. It is expected that settlement for the Series 2026A Certificates will occur through the facilities of DTC on or about August __, 2026.

Raymond James

Dated: _____, 2026

* Preliminary, subject to change.

This Preliminary Offering Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Offering Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2026A Certificates in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or filing under the securities laws of any such jurisdiction. This Preliminary Offering Statement shall be deemed "final" by the School Board as of its date for purposes of Rule 15c2-12(b)(1) promulgated by the Securities and Exchange Commission, except for certain permitted omissions.

ADDITIONAL INFORMATION

The initial term of the Series 2016A Lease commenced on October 12, 2016 and continued through and including June 30, 2017, has been automatically renewed annually to date and is automatically renewable annually through and including June 30, 2036, with a final renewal term of approximately one month from July 1, 2036 to August 1, 2036, unless sooner terminated as described herein.

The School Board may enter into other Leases under the Master Lease in addition to the Series 2016A Lease and has previously entered into and, as of the date of delivery of the Series 2026A Certificates, will be a party to the following Leases: the Series 2002A-1 Prior Lease, the Series 2004 Prior Lease, the Series 2005A Prior Lease, the Series 2006A Prior Lease, the Series 2019A Prior Lease, the Series 2020A Prior Lease, the Series 2023A Prior Lease and the Series 2025A Prior Lease (each as defined herein). **For Fiscal Year 2025-26, of the District's 96 total operational schools (excluding charter schools), there are approximately 22 schools and 12 additions to schools and related facilities leased under the Master Lease. Such figures do not include the three schools that comprise the Series 2025A Facilities (as described herein) which are currently under construction. Based on the District's full-time equivalent enrollment of approximately 86,108 students (excluding charter school students and Family Empowerment Scholarship students) for Fiscal Year 2025-26, approximately 35% of the District's students are attending classes in, or otherwise utilizing, the Facilities leased under the Master Lease during the Fiscal Year ending June 30, 2026. Such percentage does not include the additional students that are expected to attend classes in, or otherwise utilize, the educational facilities constituting the Series 2025A Facilities upon completion of such Series 2025A Facilities (see "THE MASTER LEASED FACILITIES," "THE SERIES 2016A FACILITY" and "THE PRIOR FACILITIES" herein). To determine the above percentage, the number of students attending each facility was calculated as follows: for schools that are built and operating, the number of student stations for the Fiscal Year 2025-26 was used; for the additions, the number of student stations attributable to each specific classroom for Fiscal Year 2025-26 based on the type of school (elementary, middle or high) was used. With respect to certain related facilities under the Master Lease (transportation facilities and administration building), no student stations were calculated as being attributable to such facilities.** Failure to appropriate funds to pay Lease Payments under any Lease, or certain events of default under any Lease, will result in the termination of all Leases, including the Series 2016A Lease. Upon any such termination, any proceeds of the disposition of leased facilities will be applied to payment of the related Series of Certificates, all as further described herein. In no event will owners of the Series 2026A Certificates have any interest in or right to any proceeds of the disposition of facilities leased under any Lease other than the Series 2016A Lease. The proceeds of any such disposition of the facilities leased under the Series 2016A Lease shall be applied to the payment of the Series 2026A Certificates, equally and ratably with the Unrefunded Series 2016A Certificates (as defined herein), after payment of the Trustee's expenses and then as provided in the Series 2016A Lease. Should termination of the Master Lease occur, no provision has been made for mandatory prepayment of the Series 2026A Certificates. Special Tax Counsel will express no opinion as to tax exemption or the effect of securities laws with respect to the Series 2026A Certificates following an event of non-appropriation or certain events of default under the Master Lease which result in termination of the Lease Term of the Series 2016A Lease. Transfer of the Series 2026A Certificates may be subject to compliance with the registration provisions of state and federal

securities laws following an event of non-appropriation or certain events of default under the Master Lease which result in termination of the Lease Term of the Series 2016A Lease. See "TAX TREATMENT" and "RISK FACTORS" herein.

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

\$38,830,000 Series 2026A Certificates⁽¹⁾

Maturity ⁽¹⁾ (August 1)	Principal Amount ⁽¹⁾	Interest Rate	Yield	Price	Initial CUSIP Number ⁽²⁾
2027	\$1,140,000				
2028	1,195,000				
2029	4,485,000				
2030	4,705,000				
2031	4,945,000				
2032	5,190,000				
2033	5,445,000				
2034	5,720,000				
2035	6,005,000				

(1) Preliminary, subject to change.

(2) CUSIP is a registered trademark of American Bankers Association. CUSIP data herein is provided by S&P Global Market Intelligence, a division of S&P Global Inc. CUSIP data herein is provided for convenience of reference only. The School Board, the Municipal Advisor and the Underwriter and its agents take no responsibility for the accuracy of such data.

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THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA

SCHOOL BOARD MEMBERS

Armor Persons, Chair
William F. Ribble, Jr., Vice Chair
Samuel Fisher
Jada Langford-Fleming
Melisa W. Giovannelli
Debbie Jordan
Vanessa M. Chaviano

DISTRICT OFFICIALS

SUPERINTENDENT

Dr. Denise M. Carlin

CHIEF FINANCE OFFICER

Sarah Cox

SENIOR DIRECTOR, BUSINESS SERVICES

Danielle Jensen

DIRECTOR, BUDGET AND GRANTS

Kelly Letcher

SCHOOL BOARD ATTORNEY

Robert Dodig, Esq.

SPECIAL TAX COUNSEL

Greenberg Traurig, P.A.
Miami, Florida

DISCLOSURE COUNSEL

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

MUNICIPAL ADVISOR

Ford & Associates, Inc.
Tampa, Florida

TRUSTEE

U.S. Bank Trust Company, National Association
Orlando, Florida

No dealer, broker, salesman or other person has been authorized by the School Board or the Underwriter to give any information or to make any representations, other than those contained in this Offering Statement, in connection with the offering contained herein, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Offering Statement does not constitute an offer to sell or a solicitation of an offer to buy any securities, other than the securities offered hereby, or an offer or a solicitation of an offer of the securities offered hereby to any person in any jurisdiction where such offer or solicitation of such offer would be unlawful. The information set forth herein has been obtained from the District, the School Board, the Corporation, DTC and other sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of the District or the School Board with respect to information provided by DTC. The information and expressions of opinion stated herein are subject to change without notice, and neither the delivery of this Offering Statement nor any sale made hereunder under any circumstances, create any implication that there has been no change in the affairs of the District or the School Board since the date hereof.

The Underwriter has provided the following sentence for inclusion in this Offering Statement. The Underwriter has reviewed the information in this Offering Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

UPON ISSUANCE, THE SERIES 2026A CERTIFICATES WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW, AND WILL NOT BE LISTED ON ANY STOCK OR OTHER SECURITIES EXCHANGE. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER INDEPENDENT FEDERAL, STATE OR GOVERNMENTAL ENTITY OR AGENCY WILL HAVE PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFERING STATEMENT OR APPROVED THE SERIES 2026A CERTIFICATES FOR SALE.

THIS OFFERING STATEMENT DOES NOT CONSTITUTE A CONTRACT BETWEEN THE SCHOOL BOARD OR THE DISTRICT AND ANY ONE OR MORE OF THE OWNERS OF THE SERIES 2026A CERTIFICATES.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFERING STATEMENT, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS OFFERING STATEMENT, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE CAPTIONS AND HEADINGS IN THIS OFFERING STATEMENT ARE FOR CONVENIENCE ONLY AND IN NO WAY DEFINE, LIMIT OR DESCRIBE THE SCOPE OR INTENT, OR AFFECT THE MEANING OR CONSTRUCTION, OF ANY PROVISIONS OR SECTIONS IN THIS

OFFERING STATEMENT. THE OFFERING OF THE SERIES 2026A CERTIFICATES IS MADE ONLY BY MEANS OF THIS ENTIRE OFFERING STATEMENT.

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS OFFERING STATEMENT CONSTITUTE "FORWARD-LOOKING STATEMENTS." SUCH STATEMENTS GENERALLY ARE IDENTIFIABLE BY THE TERMINOLOGY USED, SUCH AS "PLAN," "EXPECT," "ESTIMATE," "BUDGET" OR OTHER SIMILAR WORDS. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS THAT MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE SCHOOL BOARD DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS CHANGE OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

All summaries herein of documents and agreements are qualified in their entirety by reference to such documents and agreements, and all summaries herein of the Series 2026A Certificates are qualified in their entirety by reference to the form thereof included in the aforesaid documents and agreements.

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

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Offering Statement.

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APPENDICES

- A GENERAL INFORMATION REGARDING LEE COUNTY, FLORIDA

- B EXCERPTED PAGES FROM THE ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE SCHOOL BOARD OF LEE COUNTY, FLORIDA FOR THE FISCAL YEAR ENDED JUNE 30, 2025

- C LEGAL DOCUMENTS
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 - Form of Series 2026A Supplemental Trust Agreement
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 - Amendment to Master Lease Purchase Agreement
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 - Series 2016A Ground Lease
 - Series 2016A Assignment Agreement

- D FORM OF OPINION OF SPECIAL TAX COUNSEL

- E FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT

OFFERING STATEMENT

Related to

\$38,830,000*

**CERTIFICATES OF PARTICIPATION, SERIES 2026A
Evidencing Undivided Proportionate Interests of the
Owners thereof in Basic Lease Payments to be made by
THE SCHOOL BOARD OF LEE COUNTY, FLORIDA,
as Lessee, Pursuant to a Master Lease Purchase Agreement
with Lee County School Board Leasing Corporation, as Lessor**

INTRODUCTION

This Offering Statement, including the cover page, the inside cover page and appendices hereto, is provided to furnish information in connection with the sale and delivery of \$38,830,000* aggregate principal amount of Certificates of Participation, Series 2026A (the "Series 2026A Certificates").

The Series 2026A Certificates evidence undivided proportionate interests of the owners thereof in the Basic Lease Payments to be made by The School Board of Lee County, Florida (the "School Board") under the Series 2016A Lease (as defined below). The Series 2026A Certificates are being executed and delivered pursuant to the Master Trust Agreement, dated as of August 15, 1991 (the "Master Trust Agreement"), by and between the Lee County School Board Leasing Corporation, a Florida not-for-profit corporation (the "Corporation"), as assignee of the Florida School Boards Association, Inc. ("FSBA"), and U.S. Bank Trust Company, National Association, as successor trustee (the "Trustee"), as amended and supplemented by the Series 2026A Supplemental Trust Agreement, dated as of August 1, 2026, by and between the Corporation and the Trustee (the "Series 2026A Supplemental Trust Agreement," and together with the Master Trust Agreement, the "Series 2026A Trust Agreement").

The School Board is the governing body of the School District of Lee County, Florida (the "District"), and has entered into a Master Lease Purchase Agreement, dated as of August 15, 1991, as amended by an Amendment to Master Lease Purchase Agreement, dated as of June 29, 2020 (collectively, the "Master Lease"), each between the Corporation, as assignee of the FSBA, as lessor, and the School Board, as lessee, for the purpose of lease purchasing from time to time certain educational facilities, sites and equipment ("Facilities") from the Corporation, as assignee of FSBA. Facilities to be leased from time to time are or will be identified on separate lease schedules (each a "Schedule") attached to the Master Lease. Upon execution and delivery thereof, each Schedule, together with

* Preliminary, subject to change.

the provisions of the Master Lease, will constitute a separate lease agreement (individually a "Lease" and collectively the "Leases"). The School Board has previously leased certain Facilities as identified on Schedule 2002A-1, dated as of October 1, 2002 (as amended and restated as of July 1, 2003, February 1, 2005, July 1, 2008, December 1, 2010, May 1, 2012 and December 1, 2017 and together with the Master Lease, the "Series 2002A-1 Prior Lease") which is automatically renewable annually through June 30, 2028. In January 2004, the School Board leased certain Facilities as identified on Schedule 2004, dated as of January 1, 2004 (as amended and restated as of December 1, 2008, May 1, 2012, November 1, 2013 and March 1, 2017, and together with the Master Lease, the "Series 2004 Prior Lease"), which is automatically renewable through and including August 1, 2026. In April 2005, the School Board leased certain Facilities as identified on Schedule 2005A, dated as of April 1, 2005 (as amended and restated as of May 1, 2006, September 1, 2014 and November 1, 2025, and together with the Master Lease, the "Series 2005A Prior Lease"), which is automatically renewable through and including August 1, 2028. In June 2006, the School Board leased certain Facilities as identified on Schedule 2006A, dated as of June 1, 2006 (as amended and restated as of December 1, 2012 and November 1, 2025, the "Series 2006A Prior Lease"), which is automatically renewable through and including August 1, 2026. In October 2016, the School Board leased certain Facilities as identified on Schedule 2016A, dated as of October 1, 2016 (as amended and restated as of December 1, 2019, and together with the Master Lease, the "Current Series 2016A Lease"), which is automatically renewable through and including August 1, 2036. In September 2019, the School Board leased certain Facilities as identified on Schedule 2019A, dated as of September 1, 2019 (together with the Master Lease, the "Series 2019A Prior Lease"), which is automatically renewable through and including August 1, 2028. In June 2020, the School Board leased certain Facilities as identified on Schedule 2020A, dated as of June 1, 2020 (together with the Master Lease, the "Series 2020A Prior Lease"), which is automatically renewable through and including August 1, 2028. In May 2023, the School Board leased certain Facilities as identified on Schedule 2023A, dated as of May 1, 2023 (together with the Master Lease, the "Series 2023A Prior Lease"), which is automatically renewable through and including August 1, 2048. In November 2025, the School Board leased certain Facilities as identified on Schedule 2025A, dated as of November 1, 2025 (together with the Master Lease, the "Series 2025A Prior Lease"), which is automatically renewable through and including August 1, 2050. The Series 2002A-1 Prior Lease, the Series 2004 Prior Lease, the Series 2005A Prior Lease, the Series 2006A Prior Lease, the Series 2019A Prior Lease, the Series 2020A Prior Lease, the Series 2023A Prior Lease and the Series 2025A Prior Lease are herein collectively referred to as the "Prior Leases."

The following table provides a summary of the Leases that the School Board will be a party to following delivery of the Series 2026A Certificates, the Facilities financed or refinanced thereby, the final renewal date, the related Series of Certificates and the outstanding principal amount of such related Series of Certificates.

Lease	Related Facilities	Final Renewal Date	Related Series of Certificates	Principal Amount Outstanding
Series 2002A-1 Prior Lease	Series 2002A Facilities	June 30, 2028	Series 2017B Certificates	\$ 15,230,000
Series 2004 Prior Lease	Series 2004 Facilities	August 1, 2026	Series 2017A Certificates	\$ 14,791,000
Series 2005A Prior Lease	Series 2005A Facilities	August 1, 2028	Series 2025B Certificates	\$ 49,835,000
			Unrefunded Series 2014A Certificates	\$ 5,670,000
Series 2006A Prior Lease	Series 2006A Facilities	August 1, 2026	Series 2025B Certificates	\$ 7,005,000
Series 2016A Lease	Series 2016A Facility	August 1, 2036	Series 2026A Certificates	\$ 38,830,000 ⁽¹⁾
			Unrefunded Series 2016A Certificates ⁽²⁾	\$ 8,225,000
Series 2019A Prior Lease	Series 2019A Facilities	August 1, 2028	Series 2019A Certificates	\$ 35,130,000
Series 2020A Prior Lease	Series 2020A Facility	August 1, 2028	Series 2020A Certificates	\$ 19,105,000
Series 2023A Prior Lease	Series 2023A Facilities	August 1, 2048	Series 2023A Certificates	\$136,410,000
Series 2025A Prior Lease	Series 2025A Facilities	August 1, 2050	Series 2025A Certificates	\$333,260,000

(1) Preliminary, subject to change. Assumes the refunding of the Refunded Certificates (as defined herein). See "THE PLAN OF REFUNDING" herein.

(2) As defined herein. See "PURPOSE OF THE SERIES 2026A CERTIFICATES" herein.

Pursuant to the applicable provisions of Florida law, including particularly Chapters 1001 - 1013, Florida Statutes, the School Board has, by a resolution adopted by the School Board on June 9, 2026, authorized, among other things, the execution and delivery of Amended and Restated Schedule 2016A, as amended and restated as of August 1, 2026, which amends and restates the Current Series 2016A Lease in its entirety ("Amended and Restated Schedule 2016A," and together with the Master Lease, the "Series 2016A Lease"). The initial term of the Series 2016A Lease commenced on October 12, 2016 and continued through and including June 30, 2017, has been automatically renewed annually to date and is automatically renewable annually through and including June 30, 2036, with a final renewal term of approximately one month from July 1, 2036 to August 1, 2036, unless sooner terminated as described herein. The Facility being lease-purchased by the School Board under the Series 2016A Lease consists of one high school, as more particularly

described herein (the "Series 2016A Facility"). See "THE SERIES 2016A FACILITY" herein.

The School Board currently holds title to the site on which the Series 2016A Facility is located (the "Series 2016A Facility Site"). Such site is located within the District. Pursuant to the Series 2016A Ground Lease, dated as of October 1, 2016 (the "Series 2016A Ground Lease"), the School Board has leased the Series 2016A Facility Site to the Corporation, as assignee of FSBA, for an initial term ending on June 30, 2041, subject to Permitted Encumbrances (as defined in the Series 2016A Ground Lease). See "THE SERIES 2016A FACILITY – Description of the Series 2016A Facility" herein and "APPENDIX C - LEGAL DOCUMENTS –Series 2016A Ground Lease."

Pursuant to the Series 2016A Assignment Agreement, dated as of October 1, 2016 (the "Series 2016A Assignment"), between the Corporation, as assignee of the FSBA, and the Trustee, the Corporation has irrevocably assigned by outright and absolute assignment to the Trustee for the benefit of the owners of the Series 2026A Certificates and the Unrefunded Series 2016A Certificates substantially all of its right, title and interest in and to the Series 2016A Ground Lease and Series 2016A Lease, including the right to receive the Basic Lease Payments and all other amounts due under the Series 2016A Lease, as herein described. See "APPENDIX C - LEGAL DOCUMENTS –Series 2016A Assignment."

Neither the Corporation nor the School Board has or will mortgage or grant a security interest in their respective interests in the Series 2016A Facility to the Trustee. However, upon termination of the Series 2016A Lease in the case of an event of non-appropriation or in the case of certain events of default, the Series 2016A Lease provides that the School Board must surrender the Series 2016A Facility to the Trustee as assignee of the Corporation for disposition by sale or re-letting of its interest in such Facility, as provided in the Series 2026A Trust Agreement. Any proceeds of the disposition of the Series 2016A Facility will be applied to payment of the Series 2026A Certificates, equally and ratably with the Unrefunded Series 2016A Certificates, after payment of the expenses of the Trustee and then as provided in the Series 2016A Lease. Upon termination of all Leases in the case of an event of non-appropriation or in the case of certain events of default, no Facilities, other than the Series 2016A Facility, with respect to the Series 2026A Certificate holders will be available to the Trustee for disposition for the benefit of such Certificate holders. See "SECURITY FOR THE SERIES 2026A CERTIFICATES," "THE SERIES 2016A FACILITY" and "THE LEASES" herein.

Pursuant to a Disclosure Dissemination Agent Agreement (the form of which is attached hereto as APPENDIX E), the School Board will agree to provide certain continuing disclosure information relating to the Series 2026A Certificates in compliance with SEC Rule 15c2-12. See "CONTINUING DISCLOSURE" herein.

Brief descriptions of the School Board, the District and the Series 2016A Facility are included in this Offering Statement together with summaries of certain provisions of the Series 2026A Certificates, the Series 2016A Lease, the Series 2026A Trust Agreement, the Series 2016A Ground Lease and the Series 2016A Assignment. Such descriptions and summaries do not purport to be comprehensive or definitive. All references herein to the Series 2016A Lease, the Series 2026A Trust Agreement, the Series 2016A Ground Lease and the Series 2016A Assignment are qualified in their entirety by reference to the respective complete documents. Copies of the documents may be obtained upon written request to the Trustee. The Trustee's current address is 225 East Robinson Street, Suite 250, Orlando, Florida 32801. Capitalized terms used herein and not otherwise defined will have the meanings given to them in "APPENDIX C – LEGAL DOCUMENTS" herein.

THE SCHOOL BOARD AND DISTRICT

The School Board is a public body corporate existing under the laws of the State and is the governing body of the District. The School Board currently consists of seven (7) members elected by districts within the District for overlapping four-year terms. The District is governed by the School Board and its geographic boundaries are coterminous with the boundaries of Lee County, Florida (the "County"). For Fiscal Year 2025-26, the District includes 118 schools, comprised of 45 elementary schools, 17 middle schools, 15 high schools, five K-8 schools, 14 special schools/programs and vocational schools and 22 charter schools. For Fiscal Year 2025-26, the District includes 109,416 full-time equivalent students (inclusive of 13,078 charter school students and 10,230 Family Empowerment Scholarship students (i.e., voucher students) and 11,967 full- and part-time employees, including 5,827 classroom instructors. See "THE SCHOOL BOARD OF LEE COUNTY, FLORIDA" and "RECENT GOVERNMENTAL ACTIONS AFFECTING DISTRICT REVENUES – Legislative Changes Relating to School Choice" herein.

PURPOSE OF THE SERIES 2026A CERTIFICATES

The Series 2026A Certificates are being issued, together with other legally available funds of the School Board, for the principal purposes of (i) refunding, on a current basis, all or a portion of the outstanding Certificates of Participation, Series 2016A (the "Series 2016A Certificates") maturing on and after August 1, 2027 (the "Refunded Certificates") and thereby refinancing a portion of the cost of the acquisition, construction and installation of the Series 2016A Facility and thereby reducing the corresponding Basic Lease Payments due under the Series 2016A Lease and (ii) paying certain costs and expenses associated with the issuance of the Series 2026A Certificates. The Series 2016A Certificates maturing on August 1, 2026 and August 1, 2036 are not expected to be refunded with proceeds of the Series 2026A Certificates, and together with any other Series 2016A Certificates not refunded with proceeds of the Series 2026A Certificates, are referred to herein as the

"Unrefunded Series 2016A Certificates." See "ESTIMATED SOURCES AND USES OF FUNDS" AND "THE PLAN OF REFUNDING" herein.

THE PLAN OF REFUNDING

The Series 2026A Certificates are being issued in order to provide, together with other legally available funds of the School Board, the funds necessary to refund, on a current basis, the Refunded Certificates and thereby refinance a portion of the cost of the Series 2016A Facility. The Refunded Certificates will be called for prepayment prior to maturity on the date of delivery of the Series 2026A Certificates at a prepayment price equal to the principal amount of the Refunded Certificates, plus accrued interest to the prepayment date. See "VERIFICATION OF MATHEMATICAL COMPUTATIONS" herein.

THE SERIES 2026A CERTIFICATES

General

The Series 2026A Certificates will be dated their date of delivery, will mature in the years and principal amounts and accrue interest at the rates set forth on the inside cover page of this Offering Statement. The Series 2026A Certificates shall initially be issued exclusively in "book-entry" form and ownership of one fully registered Series 2026A Certificate for each maturity as set forth on the inside cover page, each in the aggregate principal amount of such maturity, will be initially registered in the name of "Cede & Co." as nominee of DTC. Individual purchases of the Series 2026A Certificates will be made in increments of \$5,000 or integral multiples thereof.

The principal amount of the Series 2026A Certificates payable at maturity shall represent undivided proportionate interests in the principal portion of the Basic Lease Payments due on each of the dates set forth in the Series 2016A Lease, equally and ratably with the Unrefunded Series 2016A Certificates. The interest portion of the Series 2026A Certificates is payable on each Interest Payment Date, to and including the date of maturity, commencing February 1, 2027. Such interest portion represents undivided proportionate interests in the interest portion of Basic Lease Payments due on the June 30 and December 30 prior to each Interest Payment Date under the Series 2016A Lease, to and including the maturity of the Series 2026A Certificates, equally and ratably with the Unrefunded Series 2016A Certificates.

The principal portion of the Series 2026A Certificates is payable at the designated corporate trust office of the Trustee, which is presently located in Orlando, Florida. The interest portion of the Series 2026A Certificates is payable by check or draft of the Trustee, mailed to the registered owner at the address shown on the Certificate register maintained by the Trustee as of the 15th day of the month preceding each Interest Payment Date. Such

interest may be paid by wire transfer within the United States to the registered owners of \$1,000,000 or more in aggregate principal amount of the Series 2026A Certificates upon their request in writing received no later than the record date prior to any Interest Payment Date. The Trustee may charge the Series 2026A Certificate owner a reasonable fee for the cost of the wire transfer. Notwithstanding the above, reference is made to the book-entry system of registration described under "Book-Entry Only System" below.

Prepayment

No Optional Prepayment. The Series 2026A Certificates are not subject to prepayment at the option of the School Board prior to maturity.

No Extraordinary Prepayment in the Event of Damage, Destruction or Condemnation of the Series 2016A Facility. The Series 2026A Certificates are not subject to extraordinary prepayment prior to maturity in the event of damage, destruction or condemnation of the Series 2016A Facility. See "THE LEASE - Lease Payments" herein for information regarding the required use of any insurance or condemnation proceeds related to the Series 2016A Facility in the event of damage, destruction or condemnation of such Series 2016A Facility.

BOOK-ENTRY ONLY SYSTEM

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

The Depository Trust Company ("DTC") will act as securities depository for the Series 2026A Certificates. The Series 2026A Certificates will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Series 2026A Certificates, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (the "Direct Participants")

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

Purchases of the Series 2026A Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for such Series 2026A Certificates on DTC's records. The ownership interest of each actual purchaser of each Series 2026A Certificate (the "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2026A Certificates are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2026A Certificates, except in the event that use of the book-entry system for the Series 2026A Certificates is discontinued.

To facilitate subsequent transfers, all Series 2026A Certificates deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2026A Certificates with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2026A Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2026A Certificates are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping an account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements made among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2026A Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2026A Certificates, such as defaults, and proposed amendments to the Series 2026A Certificate documents. For example, Beneficial Owners of Series 2026A Certificates may wish to ascertain that the nominee holding the Series 2026A Certificates for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2026A Certificates unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the School Board as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2026A Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments on the Series 2026A Certificates will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the School Board or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the School Board, subject to any statutory and regulatory requirements as may be in effect from time to time. Payment of distributions and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the School Board and/or the Trustee for the Series 2026A Certificates. Disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of the Direct and Indirect Participants.

None of the Corporation, the School Board or the Trustee can give any assurances that DTC, Direct Participants, Indirect Participants or others will distribute payments of principal of and interest on the Series 2026A Certificates paid to DTC or its nominee, or any notices, to the Beneficial Owners, or that they will do so on a timely basis or that DTC will serve or act in a manner described in this Offering Statement.

For every transfer and exchange of beneficial interests in the Series 2026A Certificates, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other government charge that may be imposed in relation thereto.

DTC may discontinue providing its services as securities depository with respect to the Series 2026A Certificates at any time by giving reasonable notice to the School Board. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2026A Certificates are required to be printed and delivered.

The School Board may decide to discontinue use of the book-entry transfers through DTC (or a successor securities depository). In that event, Series 2026A Certificates will be printed and delivered to DTC.

SECURITY FOR THE SERIES 2026A CERTIFICATES

General

The Series 2026A Certificates evidence undivided proportionate interests in the Basic Lease Payments to be made by the School Board under the Series 2016A Lease, equally and ratably with the Unrefunded Series 2016A Certificates. The Series 2026A Certificates are secured by and payable from the Trust Estate established for the Series 2026A Certificates pursuant to the Series 2026A Trust Agreement. The Trust Estate consists of all the estate, right, title and interest of the Trustee in and to the Basic Lease Payments represented by the Series 2026A Certificates under the Series 2016A Lease, equally and ratably with the Unrefunded Series 2016A Certificates and all amounts held in the funds and accounts under the Series 2026A Trust Agreement for the Series 2026A Certificates, in accordance with the provisions of the Series 2016A Lease and the Series 2026A Trust Agreement, including investment earnings thereon, and any and all monies received by the Trustee pursuant to the Series 2016A Lease and the Series 2026A Trust Agreement which are not required to be remitted to the School Board, the Corporation or the Trustee pursuant to the Master Lease or the Series 2026A Trust Agreement.

Neither the Corporation nor the School Board will mortgage or grant a security interest in the Series 2016A Facility to the Trustee. Upon termination of the Series 2016A Lease, in the case of an event of non-appropriation or in the case of certain events of default, however, the Series 2016A Lease provides that the School Board must surrender possession of the Series 2016A Facility to the Trustee as assignee of the Corporation for disposition by sale or re-letting of its interest in the Series 2016A Facility as provided in the Series 2026A Trust Agreement. Proceeds of any such disposition of the Series 2016A Facility will be applied to the payment of the Series 2026A Certificates, equally and ratably with the Unrefunded Series 2016A Certificates, after payment of the expenses of the Trustee and then as provided in the Series 2016A Lease. See "THE 2016A FACILITY"

herein for a description of the Series 2016A Facility. See "THE LEASES - Effect of Termination for Non-Appropriation or Default."

Lease Payments

All Lease Payments and all other amounts required to be paid by the School Board under the Series 2016A Lease and all other Leases will be made only from legally available funds appropriated for such purpose by the School Board. See "AVAILABLE REVENUES FOR CAPITAL OUTLAY PURPOSES" herein.

The Series 2016A Supplemental Trust Agreement, dated as of October 1, 2016, between the Corporation and the Trustee, provides for the establishment and maintenance of a Series 2016A Lease Payment Account for deposit of Basic Lease Payments appropriated and paid under the Series 2016A Lease. Lease Payments due under all Schedules to the Master Lease are subject to annual appropriation by the School Board on an all-or-none basis and are payable solely from legally available funds appropriated by the School Board for such purpose; provided that Lease Payments with respect to a particular Schedule and Series of Certificates may be additionally and separately secured by a Credit Facility. There is no limit on the number of additional Projects that may be financed under the Master Lease. Such additional Projects may be financed through the sale of additional Series of Certificates under the Master Trust Agreement. THE SCHOOL BOARD MAY NOT BUDGET AND APPROPRIATE FOR A PORTION OF LEASE PAYMENTS DUE FOR THE FACILITIES LEASED UNDER THE MASTER LEASE; IT MUST BUDGET AND APPROPRIATE FOR ALL SUCH LEASE PAYMENTS OR NONE OF THEM. THERE CAN BE NO ASSURANCE THAT SUFFICIENT FUNDS WILL BE APPROPRIATED OR OTHERWISE BE MADE AVAILABLE TO MAKE ALL OF THE LEASE PAYMENTS DUE UNDER THE MASTER LEASE.

Limited Obligation of the School Board

THE SCHOOL BOARD IS NOT LEGALLY REQUIRED TO APPROPRIATE MONEYS TO MAKE LEASE PAYMENTS. NONE OF THE SCHOOL BOARD, THE DISTRICT, THE STATE OF FLORIDA, NOR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF WILL BE OBLIGATED TO PAY, EXCEPT FROM APPROPRIATED FUNDS, ANY SUMS DUE UNDER THE LEASES FROM ANY SOURCE OF TAXATION. THE FULL FAITH AND CREDIT OF THE DISTRICT AND THE SCHOOL BOARD IS NOT PLEDGED FOR PAYMENT OF SUCH SUMS DUE THEREUNDER AND SUCH SUMS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE SCHOOL BOARD OR THE DISTRICT WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

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Additional Leases

As noted above, the School Board may enter into additional leases (each, an "Additional Lease") under the Master Lease in addition to the Series 2016A Lease and has previously entered into the Prior Leases. Failure to appropriate funds to make Lease Payments under any Lease will, or certain events of default under such Leases may, result in the termination of the Lease Term of all Leases. Upon any such termination of the Lease Term of all Leases, the School Board must surrender all Facilities to the Trustee for sale or re-letting of the Trustee's interest.

The proceeds of any such disposition of the Series 2016A Facility will be applied to the payment of the Series 2026A Certificates, equally and ratably with the Unrefunded Series 2016A Certificates, after payment of the expenses of the Trustee and then as provided in the Series 2016A Lease. There can be no assurance that the remedies available to the Trustee upon any such termination of the Lease Term of the Series 2016A Lease will produce sufficient amounts to pay the outstanding Series 2026A Certificates.

For a discussion of remedies available to the Trustee in the event of the non-appropriation of funds to pay Lease Payments or upon the occurrence of an event of default under any Lease, see "THE LEASE - Termination of Lease Term" and "Effect of Termination for Non-Appropriation or Default" herein and "APPENDIX C – LEGAL DOCUMENTS – Master Lease Purchase Agreement – Events of Default and Remedies" hereto.

Additional Certificates; Outstanding Certificates

With respect to any Additional Lease, one or more Series of Additional Certificates may be authorized by the Corporation at the request of the School Board and executed and delivered by the Trustee for the purpose of (a) financing the cost of acquisition, construction and equipping of any Facilities, (b) financing the cost of completing the acquisition, construction, installation and equipping of any Facilities, (c) financing the cost of increasing, improving, modifying, expanding or replacing any Facilities, or (d) paying or providing for the payment of the principal portion and interest portion of the Basic Lease Payments with respect to, or the Purchase Option Price of, all or a portion of the Facilities financed from the proceeds of any Series of Certificates previously executed and delivered. The aggregate principal amount of Additional Certificates which may be executed and delivered under the provisions of the Master Trust Agreement is not limited. See the table in "INTRODUCTION" herein for the summary of the various Series of Certificates issued by the District and the outstanding principal amounts thereof.

Non-Appropriation Risk

THE SCHOOL BOARD IS NOT LEGALLY REQUIRED TO APPROPRIATE MONEYS FOR THE PURPOSE OF MAKING LEASE PAYMENTS. FOR A

DISCUSSION OF REMEDIES AVAILABLE TO THE TRUSTEE IN THE EVENT OF THE NON-APPROPRIATION OF FUNDS TO PAY LEASE PAYMENTS, SEE "THE LEASES - TERMINATION OF LEASE TERM" AND "- EFFECT OF TERMINATION FOR NON-APPROPRIATION OR DEFAULT" HEREIN. THERE CAN BE NO ASSURANCE THAT THE REMEDIES AVAILABLE TO THE TRUSTEE IN THE EVENT OF NON-APPROPRIATION WILL PRODUCE SUFFICIENT AMOUNTS TO PAY THE OUTSTANDING CERTIFICATES.

No Reserve Account for Series 2026A Certificates

There is no Reserve Account for the Series 2026A Certificates. However, pursuant to a Supplemental Trust Agreement authorizing the issuance of any Series of Certificates, there may be established and maintained a separate Reserve Account to secure the payment of the principal and/or interest portion of the Basic Lease Payments related to such Series of Certificates. Each such Reserve Account shall secure only the Series of Certificates for which it has been established. See "APPENDIX C – LEGAL DOCUMENTS – Master Trust Agreement" hereto.

THE MASTER LEASED FACILITIES

The Series 2016A Facility is being refinanced under the School Board's existing Master Lease as part of the School Board's master lease purchase program (the "Master Lease Program") with the Corporation, as assignee of the FSBA. The Facilities financed or refinanced by the School Board under the Master Lease Program are subject to annual appropriation on an all-or-none basis. **For Fiscal Year 2025-26, of the District's 96 total operational schools (excluding charter schools), there are approximately 22 schools and 12 additions to schools and related Facilities leased under the Master Lease. Such figures do not include the three schools that comprise the Series 2025A Facilities (as described herein) which are currently under construction. Based on the District's full-time equivalent enrollment of approximately 86,108 students (excluding charter school students and Family Empowerment Scholarship students) for Fiscal Year 2025-26, approximately 35% of the District's students are attending classes in, or otherwise utilizing, the Facilities leased under the Master Lease during the Fiscal Year ended June 30, 2026. Such percentage does not include the additional students that are expected to attend classes in, or otherwise utilize, the educational facilities constituting the Series 2025A Facilities upon completion of such Series 2025A Facilities. To determine the above percentage, the number of students attending each Facility was calculated as follows: for schools that are built and operating, the number of student stations for the Fiscal Year 2025-26 was used; for the additions, the number of student stations attributable to each specific classroom for Fiscal Year 2025-26 based on the type of school (elementary, middle or high) was used. With respect to certain related Facilities under the Master Lease (transportation facilities and administration building), no student stations were calculated as being attributable to such facilities. Under certain**

conditions set forth in the Master Lease, the School Board may (1) substitute or add components to the Facilities, (2) modify the plans and specifications thereof and (3) release Facilities from a particular Lease. For a complete description of the Facilities under the Master Lease Program, see "THE SERIES 2016A FACILITY" and "THE PRIOR FACILITIES" herein.

Pursuant to the Master Lease, the School Board does not have the ability to appropriate funds to make Lease Payments on one Facility or some combination of Facilities only. The School Board's annual appropriation for Basic Lease Payments must be for all Facilities under the Master Lease Program or it must terminate all Leases under the Master Lease Program. In the event the School Board does not appropriate funds in its annual budget for all of such financed Facilities, the School Board would, at the Trustee's option, be required to surrender such Facilities, including the Series 2016A Facility, to the Trustee for the benefit of the Owners of the Certificates which financed or refinanced such Facilities.

THE SERIES 2016A FACILITY

The Series 2026A Certificates are being issued primarily to refinance a portion of the acquisition, construction and installation of the Series 2016A Facility. The Series 2016A Facility is located within the District. Under certain conditions set forth in the Series 2016A Lease, the School Board may substitute and/or add components to the Series 2016A Facility. See "SUBSTITUTION, ADDITION TO AND/OR RELEASE OF FACILITIES" below. The Series 2016A Facility included the following:

Bonita Springs High School. Bonita Springs High School was constructed in Bonita Springs, Florida on a 76-acre site that the District purchased on Imperial Parkway. The facility contains approximately 280,000 gross square feet and provides for a total capacity of 2,000 students. The physical plant consists of three primary buildings with multiple outbuildings that house over 65 classrooms that include general classrooms, music, art, exceptional student education, science labs, environmental labs, media center, gymnasium, auditorium, cafeteria, and administrative offices. The school opened in August 2018.

THE PRIOR FACILITIES

The following is a list of other educational and related Facilities being lease-purchased by the School Board pursuant to the Prior Leases. Under certain conditions of the Master Lease, the School Board may substitute components of the respective projects, modify the plans and specifications therefor and/or release a Facility or Facilities from the related Lease.

Series 2002A Facilities

Two Elementary Schools
Two Middle Schools
One K-8 School
Two transportation facilities
Technology upgrades

Series 2004 Facilities

Four Elementary Schools
One Middle School
Two High Schools
Additions to One Elementary School
Administration Building

Series 2005A Facilities

One Middle School
One High School
Administration Building Improvements

Series 2006A Facilities

Three Elementary Schools
Additions to Seven Elementary Schools

Series 2019A Facilities

One High School
Addition/Renovation to One High School

Series 2020A Facility

One Middle School

Series 2023A Facilities

One Elementary School
Rebuild of One Elementary School
Addition to One Middle School

Series 2025A Facilities

One Middle School Rebuild
One K-8 School Rebuild
One High School

Each of the Facilities includes certain equipment not constituting fixtures of the Facilities described above. Accordingly, upon the occurrence of a non-appropriation of funds or an event of default, neither the holders of the Series 2026A Certificates nor holders

of the Prior Certificates will have any right to any such equipment which does not constitute fixtures of such Facilities.

SUBSTITUTION, ADDITION TO AND/OR RELEASE OF FACILITIES

Substitution of Facilities

To the extent permitted by law, on or after the Completion Date, the School Board may substitute for any of the Facilities other facilities owned by the School Board, provided such substituted facilities: (a) have the same or greater remaining useful life; (b) have a fair market value equal to or greater than the portion of the Facilities for which they are substituted (based on an assessment prepared by the District); (c) are of substantially equal usefulness as the Facilities to be replaced and provide essential governmental services; (d) are free and clear of all liens and encumbrances, except Permitted Encumbrances and (e) are approved by the State Department of Education. In order to effect such substitution, Facilities to be replaced will be released from the encumbrance of the related Lease and, if applicable, the related Ground Lease by appropriate instrument executed by the School Board and the Corporation (or Trustee as assignee of the Corporation) in form sufficient to leave good and marketable fee simple title to such Facilities in the School Board subject only to Permitted Encumbrances, and the facilities to be substituted shall likewise be incorporated into the related Lease and, if applicable, the related Ground Lease. The related Lease will be appropriately amended and the related Ground Lease will be amended or canceled and replaced, to reflect such substitution.

There shall also be delivered at the time of substitution an Opinion of Counsel as described in the Master Lease with respect to the substitute Facility Site. The foregoing conditions with respect to substitution only apply to Facilities against which the Trustee has rights.

Addition to Facilities

From time to time, the School Board may have remaining funds on deposit in an Acquisition Fund under a particular Lease. This sometimes occurs as a result of a Facility or combination of Facilities being constructed for less than anticipated, a Facility is no longer needed or there are unresolved issues concerning the site on which the Facility is to be built. In such case, the School Board may finance other Facilities under such Lease, in which case such additional Facilities shall be subject to the provisions of the related Lease. In certain cases, such newly added Facilities may be Facilities which are not subject to surrender and disposition by the Trustee.

Release of Facilities

The School Board may cause the release of a Facility or Facilities from the lien of the related Lease, if after the release of such Facility or Facilities the total construction cost

of the remaining Facilities exceeds the remaining principal portion of the Basic Lease Payments payable under the related Lease. **The foregoing does not apply to the Series 2016A Facility since it is the only Facility subject to the Series 2016A Lease.**

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ESTIMATED SOURCES AND USES OF FUNDS

The proceeds to be received from the sale of the Series 2026A Certificates, together with other legally available funds, are expected to be applied as follows:

SOURCES OF FUNDS:

Par Amount of Series 2026A Certificates	
Plus/Less: Net Original Issue Premium/Discount	
Certain Other Legally Available Funds ⁽¹⁾	_____
TOTAL SOURCES	

USES OF FUNDS:

Deposit to Escrow Fund ⁽²⁾	
Costs of Issuance Subaccount ⁽³⁾	
Underwriter's Discount	_____
TOTAL USES	

⁽¹⁾ Represents certain funds on deposit in the Lease Payment Account related to the Refunded Certificates.
⁽²⁾ To be applied to refund the Refunded Certificates. See "THE PLAN OF REFUNDING" herein.
⁽³⁾ Includes, without limitation, legal, accounting and municipal advisory fees, printing costs and other costs associated with the issuance of the Series 2026A Certificates.

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CERTIFICATE PAYMENT SCHEDULE⁽¹⁾

The annual payment requirements for the Series 2026A Certificates are shown on the following table:

Date (August 1)	Principal	Interest	Subtotal
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			

⁽¹⁾ Totals may not add due to rounding.

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COMBINED PRIOR CERTIFICATE PAYMENT SCHEDULE

Payment requirements on the Series 2014A Certificates, Unrefunded Series 2016A Certificates, Series 2017A Certificates, Series 2017B Certificates and Series 2019A Certificates are as follows:

Year Ending August 1	Series 2014A Certificates	Unrefunded Series 2016A Certificates ⁽¹⁾	Series 2017A Certificates	Series 2017B Certificates	Series 2019A Certificates
2026	\$5,842,600	\$1,670,850	\$15,188,878	\$7,878,336	\$12,894,000
2027	-	204,450	-	7,883,756	12,891,750
2028	-	204,450	-	-	12,891,750
2029	-	204,450	-	-	-
2030	-	204,450	-	-	-
2031	-	204,450	-	-	-
2032	-	204,450	-	-	-
2033	-	204,450	-	-	-
2034	-	204,450	-	-	-
2035	-	204,450	-	-	-
2036	-	7,019,450	-	-	-
Total ⁽²⁾	<u>\$5,842,600</u>	<u>\$10,530,350</u>	<u>\$15,188,878</u>	<u>\$15,762,092</u>	<u>\$38,677,500</u>

⁽¹⁾ Assumes the refunding of the Refunded Certificates. See "PURPOSE OF THE SERIES 2026A CERTIFICATES" and "THE PLAN OF REFUNDING" herein.

⁽²⁾ Totals may not add due to rounding.

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COMBINED PRIOR CERTIFICATE PAYMENT SCHEDULE

Payment requirements on the Series 2020A Certificates, Series 2023A Certificates, Series 2025A Certificates and Series 2025B Certificates are as follows:

Year Ending August 1	Series 2020A Certificates	Series 2023A Certificates	Series 2025A Certificates	Series 2025B Certificates	Total Prior Certificates
2026	\$7,015,250	\$6,197,250	\$12,093,635	\$9,033,872	\$77,814,671
2027	7,017,250	6,197,250	16,940,500	22,606,750	73,741,706
2028	7,014,000	6,197,250	16,940,500	31,206,000	74,453,950
2029	-	6,982,250	24,840,500	-	32,027,200
2030	-	6,983,000	24,840,500	-	32,027,950
2031	-	6,981,750	24,840,750	-	32,026,950
2032	-	6,983,500	24,840,250	-	32,028,200
2033	-	6,983,000	24,843,000	-	32,030,450
2034	-	6,985,250	24,837,750	-	32,027,450
2035	-	6,980,000	24,843,750	-	32,028,200
2036	-	6,982,500	24,839,250	-	38,841,200
2037	-	14,002,250	24,838,500	-	38,840,750
2038	-	13,998,250	24,845,000	-	38,843,250
2039	-	13,999,000	24,842,000	-	38,841,000
2040	-	13,998,250	24,843,500	-	38,841,750
2041	-	14,000,000	24,842,750	-	38,842,750
2042	-	14,003,000	24,838,250	-	38,841,250
2043	-	14,001,000	24,838,500	-	38,839,500
2044	-	13,998,000	24,841,500	-	38,839,500
2045	-	14,002,800	24,840,250	-	38,843,050
2046	-	13,999,000	24,843,000	-	38,842,000
2047	-	14,001,200	24,842,500	-	38,843,700
2048	-	13,998,400	24,844,213	-	38,842,613
2049	-	-	38,843,425	-	38,843,425
2050	-	-	38,842,513	-	38,842,513
Total⁽¹⁾	\$21,046,500	\$242,454,150	\$620,486,285	\$62,846,622	\$1,032,834,978

⁽¹⁾ Totals may not add due to rounding.

COMBINED CERTIFICATE PAYMENT SCHEDULE⁽¹⁾

Set forth below are the annual payment requirements on the Prior Certificates and the Series 2026A Certificates:

Year Ending August 1	Total Prior Certificates ⁽¹⁾	Series 2026A Certificates	Aggregate Total
2026	\$77,684,246		
2027	73,741,706		
2028	74,453,950		
2029	32,027,200		
2030	32,027,950		
2031	32,026,950		
2032	32,028,200		
2033	32,030,450		
2034	32,027,450		
2035	32,028,200		
2036	38,841,200		
2037	38,840,750		
2038	38,843,250		
2039	38,841,000		
2040	38,841,750		
2041	38,842,750		
2042	38,841,250		
2043	38,839,500		
2044	38,839,500		
2045	38,843,050		
2046	38,842,000		
2047	38,843,700		
2048	38,842,613		
2049	38,843,425		
2050	38,842,513		
Total ⁽²⁾	\$1,032,704,553		

⁽¹⁾ Includes payments on the Series 2014A Certificates, Unrefunded Series 2016A Certificates, Series 2017A Certificates, Series 2017B Certificates, Series 2019A Certificates, Series 2020A Certificates, Series 2023A Certificates, Series 2025A Certificates and Series 2025B Certificates as shown on the prior page (see footnotes on prior pages).

⁽²⁾ Totals may not add due to rounding.

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THE LEASES

The following is a brief summary of certain provisions of the Series 2016A Lease and the same is not intended to be definitive. Reference is made to the Series 2016A Lease which is available from the School Board or the Trustee for the complete text thereof. The form of the Series 2016A Lease is provided in "APPENDIX C – LEGAL DOCUMENTS – Master Lease Purchase Agreement," "– Amendment to Master Lease Purchase Agreement," and "– Form of Amended and Restated Schedule 2016A" hereto.

The Series 2016A Lease is being entered into pursuant to the authority granted under Chapters 1000-1013, Florida Statutes, for the purpose of providing for the refinancing and lease-purchase of the Series 2016A Facility.

Lease Terms

Under the Series 2016A Lease, the Corporation leases the Series 2016A Facility to the School Board. The initial term of the Series 2016A Lease commenced on October 12, 2016 and continued through and including June 30, 2017, has been automatically renewed annually to date and is automatically renewable annually through and including June 30, 2036, with a final renewal term of approximately one month from July 1, 2036 to August 1, 2036, unless sooner terminated in accordance with the Series 2016A Lease.

Termination of Lease Terms

As described under "SECURITY FOR THE SERIES 2026A CERTIFICATES - Additional Leases," the School Board has entered into the Series 2016A Lease, the Prior Leases and may enter into Additional Leases. The Lease Term of the Leases will terminate upon the earliest of any of the following events:

- (a) Each Lease will terminate on the latest Lease Payment Date set forth in such Lease;
- (b) All Leases will terminate in the event of non-appropriation of funds for the payment of Lease Payments;
- (c) All Leases will terminate upon a default by the School Board with respect to any Lease and the termination of the Lease Term of all Leases by the Trustee pursuant to the Master Lease; and
- (d) A particular Lease will terminate upon payment by the School Board of the Purchase Option Price of all of the Facilities leased under such Lease by the School Board or upon provision for such payment pursuant to the Master Lease.

Effect of Termination for Non-Appropriation or Default

Upon termination of the Lease Term for a reason referred to in (b) or (c) under "THE LEASE - Termination of Lease Term" above, the School Board is required to immediately surrender and deliver possession of all the Facilities (other than certain designated Facilities) financed under all Leases to the Trustee. Upon such surrender, the Trustee will sell or re-let its interest in such Facilities in such manner and to such person or persons for any lawful purpose as it determines to be appropriate. The proceeds of any such disposition of the Series 2016A Facility will be applied to the payment of the Series 2026A Certificates, equally and ratably with the Unrefunded Series 2016A Certificates, after payment of the expenses of the Trustee and then as provided in the Series 2016A Lease. Except as described herein, in no event will owners of a particular Series of Certificates have any interest in or right to any proceeds of the disposition of Facilities financed with the proceeds of another Series of Certificates, except for Certificates issued to complete or refinance a particular set of Facilities. For a discussion of the remedies available to the Trustee if the School Board refuses or fails to voluntarily deliver possession of the Facilities to the Trustee, see "APPENDIX C – LEGAL DOCUMENTS - Master Lease Purchase Agreement - Surrender of Facilities" hereto.

There can be no assurance that the remedies available to the Trustee upon any termination of the Lease Term of the Leases for non-appropriation or default and the disposition of Facilities will produce sufficient amounts to pay the outstanding Certificates. The federal income tax status of payments made to Certificate Holders after such termination may also be adversely affected. See "RISK FACTORS – Tax Treatment" and "TAX TREATMENT" herein. Further, after such termination of the Lease Term of the Series 2016A Lease, transfer of the Series 2026A Certificates may be subject to the registration provisions of applicable federal and state securities laws. See "RISK FACTORS – Applicability of Securities Laws" herein. Accordingly, there is no assurance that the market for the Series 2026A Certificates will not be impaired following termination of the Lease Term of the Series 2016A Lease.

Lease Payments

Subject to the conditions stated in the Leases, the School Board has expressed its current intent to make all Lease Payments due under the Leases, including the Series 2016A Lease; PROVIDED, HOWEVER, THAT NONE OF THE SCHOOL BOARD, THE DISTRICT, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION THEREOF, IS OBLIGATED TO PAY, EXCEPT FROM APPROPRIATED FUNDS, ANY SUMS DUE TO THE CORPORATION UNDER THE LEASES FROM ANY SOURCE OF TAXATION, AND THE FULL FAITH AND CREDIT OF THE SCHOOL BOARD AND THE DISTRICT IS NOT PLEDGED FOR PAYMENT OF SUCH SUMS DUE THEREUNDER, AND SUCH SUMS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE SCHOOL BOARD OR THE DISTRICT WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR

LIMITATION. All Lease Payments due under the Leases will be made from current or other funds authorized by law and regulations of the State Department of Education and appropriated for such purpose by the School Board.

On December 30, 2026, and thereafter on June 30 and December 30 of each year, the Lease Payment Date preceding each Certificate Payment Date, the School Board is required to pay to the Trustee the Basic Lease Payment then due. The School Board is also required to pay, when due, Additional Lease Payments and Supplemental Payments, consisting, among other things, of fees and expenses of the Trustee, the Escrow Agent, if any, and the Corporation. Lease Payments due under a Lease may be reduced, when applicable, by amounts credited as follows:

(a) The Trustee will deposit into the corresponding Lease Payment Account interest income in accordance with the Master Trust Agreement and apply such interest income as provided in the Master Trust Agreement.

(b) On completion of the acquisition and construction of the corresponding Facilities and the payment of all Costs of the corresponding Facilities or upon termination of the Lease Term, the amounts, if any, remaining on deposit in the corresponding Acquisition Account will be transferred to the related Lease Payment Account, to be applied to Basic Lease Payments next coming due under the related Lease.

(c) There will be deposited in the applicable Lease Payment Account or the Prepayment Account, as the case may be, Net Proceeds realized in the event of damage, destruction or condemnation as provided for in the related Lease, to be applied to Basic Lease Payments under such Lease or the Prepayment Price of the related Certificates; provided, however, if the School Board has determined that its operations have not been materially affected and that it is not in the best interest of the School Board to repair, restore or replace that portion of the Facilities damaged, destroyed or condemned, then the School Board shall not be required to comply with the provisions of the preceding clause. If the Net Proceeds are (i) less than ten percent (10%) of the Remaining Principal Portion of the Basic Lease Payments relating to such Facilities and (ii) equal to or less than the amount of Basic Lease Payments coming due in the immediately following Fiscal Year under the related Lease, then such Net Proceeds may, at the option of the School Board, (x) be deposited in the Lease Payment Account for the Series of Certificates relating to such Facilities to be credited against Basic Lease Payments next coming due under such Lease or (y) deposited in the Acquisition Account for the Series of Certificates relating to such Facilities and applied to pay Costs of other Facilities, in which case such other Facilities shall become subject to the provisions of such Lease as fully as if they were originally leased Facilities. If the Net Proceeds are (i) equal or greater than ten percent (10%) of the Remaining Principal Portion of the Basic Lease Payments relating to such Facilities or (ii) greater than the amount of Basic Lease

Payments coming due in the immediately following Fiscal Year under such Lease, then the Net Proceeds shall be deposited to the Acquisition Account for the Series of Certificates relating to such Facilities and applied to pay the Costs of other Facilities, in which case such other Facilities shall become subject to the provisions of the Lease as fully as if they were the originally leased Facilities; provided, however, at the direction of the School Board, upon delivery to the Trustee of a Favorable Opinion, such Net Proceeds shall be deposited in the Lease Payment Account for the Series of Certificates relating to such Facilities to be credited against Basic Lease Payments next coming due under the related Lease.

Lease Covenants

Under the Leases, the School Board is responsible for acquisition, construction and installation of the Facilities pursuant to the specifications of the School Board, including the letting of all contracts for the acquisition, construction and installation of the Facilities. Under the Leases, the School Board covenants that it will (i) maintain the Facilities at all times during the Lease Term in good repair and condition, (ii) pay applicable taxes, assessments, utility charges and other governmental charges, and (iii) provide applicable insurance coverage, including property and liability insurance, all in accordance with the terms and provisions relating to these requirements, contained in the Leases. However, see "RISK FACTORS - Property Insurance" herein for information regarding the District's current property insurance coverage.

Budget and Appropriation

The cost and expense of the performance by the School Board of its obligations under the Leases and the incurrence of any liabilities of the School Board under the Leases including, without limitation, the payment of all Lease Payments and all other amounts required to be paid by the School Board under all Leases, are subject to and dependent on appropriations being duly made from time to time by the School Board for such purpose. Under no circumstances will the failure of the School Board to appropriate sufficient funds constitute a default or require payment of a penalty, or in any way limit the right of the School Board to purchase or utilize educational facilities similar in function to those leased under any Lease.

Unless the School Board, at a public meeting held prior to the end of the then current Fiscal Year, gives notice of its intent not to appropriate the funds necessary to make the Lease Payments coming due in the following Fiscal Year under all Leases, the Superintendent will include in the Superintendent's tentative budget proposal the funds necessary to make such Lease Payments, and all Leases will be automatically renewed on June 30 of the current Fiscal Year, for the following Fiscal Year, subject to appropriation being made by the School Board in the final official budget. If no such appropriation is made in the final adopted budget or if no official budget is adopted as of the last day on which a final budget is required to have been adopted, all Leases will terminate as of the

date of adoption of the final official budget, under which no appropriation has been made, or the last date on which a final budget is required to have been adopted, whichever is earlier.

If the School Board declares its intent at such public meeting prior to the end of the then current Fiscal Year not to appropriate the funds necessary to make Lease Payments under all Leases, no Leases will be automatically renewed for the following Fiscal Year, but will terminate on June 30 of the then current Fiscal Year. The School Board will, however, provide written notice of any non-appropriation of funds, as described above, to the Trustee and the Credit Facility Issuer, if any, within three business days after declaring its intent not to appropriate the funds necessary to make payments under all Leases. For a discussion of the effect of termination of the Lease Term of the Leases, see "THE LEASES - Effect of Termination for Non-Appropriation or Default" herein.

THE CORPORATION

The Corporation is a Florida not-for-profit educational corporation formed on December 11, 2003 for the purpose of acting as lessor under the Master Lease, as assignee of FSBA. The sole member of the Corporation is the School Board. Upon dissolution, all of its assets will be distributed to the School Board. The Board of Directors of the Corporation consists of the members of the School Board and its officers are School Board members and employees.

There is no litigation pending against the Corporation.

Pursuant to an Assignment, Assumption and Modification Agreement, FSBA has assigned to the Corporation, all of its remaining rights, title and interest as lessor under the Master Lease and the Master Trust Agreement, and as ground lessee under all ground leases of Facility sites in connection with the Master Lease. Pursuant to the Series 2016A Assignment, the Corporation made an outright and an absolute assignment of substantially all its right, title and interest under the Series 2016A Lease and Series 2016A Ground Lease to the Trustee, retaining its rights to indemnification, its right to receive its servicing fee and to receive notices under the Master Lease. Accordingly, the Trustee directly collects all of the Basic Lease Payments which are the primary source of and security for payment of the Series 2026A Certificates.

THE SCHOOL BOARD OF LEE COUNTY, FLORIDA

The School Board is organized under Section 4, Article IX, of the Constitution of Florida and Chapter 1001 et seq., Florida Statutes, and is the governing body of the District. The District covers the same geographic area as the County and encompasses six municipalities. The District provides a full range of educational programs. These include pre-kindergarten, kindergarten through 12th grade, basic and enriched programs and

exceptional student education. The District also provides vocational and adult programs. For Fiscal Year 2025-26, the District includes the operation of 118 schools, comprised of 45 elementary schools, 17 middle schools, 15 high schools, five K-8 schools, 14 special schools/programs and vocational schools and 22 charter schools. For Fiscal Year 2025-26, the District included 109,416 full-time equivalent students (inclusive of 13,078 charter school students and 10,230 Family Empowerment Scholarship students) and 11,967 full- and part-time employees, including 5,827 classroom instructors. Management of the District is independent of the County and local governments within the County. The County Tax Collector collects ad valorem taxes for the District, but exercises no control over expenditures by the District. Additional information concerning the County is contained in "APPENDIX A – GENERAL INFORMATION CONCERNING LEE COUNTY, FLORIDA" hereto.

The Organization and Powers of the School Board

The School Board is a public body corporate existing under the laws of the State, is the governing body of the District, and consists of seven members elected by districts within the District for overlapping four-year terms. Under existing law, the School Board's duties and powers include, but are not limited to, the development of policies and rules for the efficient operation of the District, the acquisition, maintenance and disposition of school property within the District; the development and adoption of a school program for the District; the establishment, organization and operation of schools, including vocational and evening schools and the establishment and operation of programs for gifted students and for students in residential care facilities; the appointment, compensation, promotion, suspension and dismissal of employees; the establishment of courses of study and the provision of adequate instructional aids; and the establishment of a system to transport students to school or school-related activities.

The School Board also has broad financial responsibilities, including the approval of the annual budget, adoption of the school tax levy and the establishment of a system of accounting and budgetary controls. The annual budget and accounting reports must be filed with the Florida Department of Education.

The present members of the School Board, their respective offices, as applicable, and the expiration of their respective terms are as follows:

<u>Name/Office</u>	<u>Term Expires</u>
Armor Persons, Chair	November 2026
William F. Ribble, Jr., Vice Chair	November 2028
Samuel Fisher	November 2026
Jada Langford-Fleming	November 2026
Melisa W. Giovannelli	November 2028
Debbie Jordan	November 2026
Vanessa M. Chaviano	November 2028

Superintendent of Schools

The Superintendent of Schools is the chief executive officer of the District and Secretary of the School Board. The Superintendent oversees operations of the school system, makes policy recommendations to the School Board, and performs the duties assigned to him or her by law and the regulations of the Florida Department of Education. At the November 2022 general election, the electorate of the County voted to move to an elected Superintendent, rather than a School Board appointed Superintendent. The District's current Superintendent was elected as the District's first elected Superintendent in over 50 years at the November 2024 general election for a four-year term.

The Superintendent also prepares the annual budget for approval by the School Board, recommends the tax levy based upon needs illustrated by the budget, recommends debt issuance or borrowing plans of the School Board when necessary, provides recommendations for investment of available funds, and keeps records with respect to all funds and financial transactions of the School Board.

Administration

Dr. Denise M. Carlin, Superintendent. Dr. Carlin is a lifelong educator who has dedicated 32 years to the District, serving as a teacher, assistant principal, principal, and District leader. On November 5, 2024, she was elected Superintendent of Schools, beginning a four-year term as the first elected superintendent in the County in over fifty years. A proud graduate of Edison Community College (now Florida Southwestern State College) and the University of South Florida, Dr. Carlin is deeply rooted in the community. Raised in Cape Coral, she has lived in the County for 55 years. Under her leadership, the District is focused on improving student achievement, expanding technical education opportunities, strengthening school safety, increasing teacher recruitment and retention, promoting fiscal responsibility, and empowering parents as partners in education.

Sarah Cox, Chief Finance Officer. Ms. Cox has over 20 years of experience in school finance. She received her Bachelor's in Business Administration from South University in 2010. Ms. Cox previously worked in many capacities at the District from financial accounting to budget before working as the Chief Financial Officer for the School District of Hendry County, Florida from 2021 through 2024 and then returning to the District in June 2024 as Executive Director, Business Services and subsequently promoted to Chief Finance Officer in December 2025.

Danielle Jensen, Senior Director, Business Services. Ms. Jensen has been with the District three years and has over 26 years of experience in finance, procurement, and accounting with private and government organizations. She received her Bachelor of Science degree in Finance from Northern Illinois University and completed master classes at Arizona State University in Business Administration. She is responsible for overseeing

the financial accounting operations, payroll and procurement for the District. She is a member of the Florida School Finance Officers Association ("FSFOA").

Kelly Letcher, Director, Budget and Grants. Ms. Letcher has been with the District for over 40 years, with over 34 of those years in the Budget Department. She currently serves as the Director of Budget and Grants, which oversees the budgeting for all funding sources, student FTE counts and reporting, Vendor Management, Capital Project Management and resource allocations to schools. Ms. Letcher is a member of the Government Finance Officers Association and FSFOA.

Jennifer LaPorta, Senior Coordinator of Financial Services. Ms. LaPorta has over 15 years of experience in healthcare administration and financial accounting operations. Bringing her extensive expertise to the public sector, she has spent the past year and a half optimizing financial operations within the District. A graduate of the University of South Florida, Ms. LaPorta holds a Bachelor of Science degree in Accounting. Throughout her career, she has established a proven track record of overseeing complex financial accounting systems, ensuring regulatory compliance, and driving fiscal responsibility. Ms. LaPorta is an active member of the FSFOA.

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Historical and Projected Growth

The following tables present summaries of general statistical data regarding the District.

Summary of Statistical Data Ten-Year History

School Year	Number of Schools ⁽¹⁾	Number of Classroom Instructors	Average F.T.E. ⁽²⁾	Expenditures per F.T.E. Student
2016-17	120	5,604	78,531	\$7,905
2017-18	120	5,670	79,904	8,143
2018-19	120	5,770	81,372	8,318
2019-20	118 ⁽³⁾	5,700	82,532	8,287
2020-21	118	5,724	85,480	8,076
2021-22	118	5,783	83,124	8,549
2022-23	120	5,695	84,900	9,029
2023-24	120	5,681	85,561	9,890
2024-25	120	6,217	86,853	10,615
2025-26	118 ⁽⁴⁾	5,827	86,108	12,846

⁽¹⁾ Includes charter schools.

⁽²⁾ Kindergarten through 12th grade. Excludes charter school students and Family Empowerment Scholarship students who attend private schools through a voucher program or are home schooled. See "RECENT GOVERNMENTAL ACTIONS AFFECTING DISTRICT REVENUES – Legislative Changes Relating to School Choice" herein.

⁽³⁾ Decrease in schools from 2018-19 to 2019-20 was due to the closure of a Department of Juvenile Justice School and one charter school.

⁽⁴⁾ Decrease in schools from 2024-25 to 2025-26 was due to closure of two special schools/programs.

Source: School District of Lee County, Florida.

Projected Growth for Full Time Equivalent (F.T.E.) Enrollment

School Year	F.T.E. Enrollment ⁽¹⁾
2026-27	112,078
2027-28	114,993
2028-29	117,919
2029-30	120,893
2030-31	124,045

⁽¹⁾ Includes charter school and Family Empowerment Scholarship students.

Source: State of Florida Office of Economic & Demographic Research, Conference Report for Pre-K-12 Enrollment Education Estimating Conference, Florida School District Programs Unweighted Full-Time Equivalent Student Enrollment, March 6, 2026.

Employee Relations

The District had approximately 11,967 budgeted full and part-time employees for Fiscal Year 2025-26. There are two bargaining units within the District. Support personnel are represented by the Support Personnel Association of Lee County ("SPALC") and instructional personnel are represented by the Teachers Association of Lee County ("TALC"). The length of the TALC contract is three years (through Fiscal Year 2027). The length of the SPALC contract is three years (through Fiscal Year 2028). Included in the number of employees are Supervisory, Technical, Confidential and Administrative employees that are not part of any bargaining unit.

Budget Process

State law requires the School Board to adopt in each Fiscal Year a tentative budget and a final budget, each of which is required to be balanced with available funds. Revenues derived from ad valorem property taxes are budgeted, as required by State law, on the application of millage levies to 96 percent of the non-exempt assessed value of property in the County.

The Superintendent is responsible for recommending the tentative budget to the School Board. State law further requires the School Board to advertise its intent to adopt the tentative budget, including a proposed tax millage, within 29 days after certification of taxable property by the property appraiser, which is required by law to occur by July 1, unless extended.

The School Board is required to hold a public hearing on the tentative budget and the proposed tax millage within five days, but not earlier than two days, after advertisement. At the hearing, the School Board adopts a tentative budget and a resolution stating the millage rate to be levied and sets the date for the public hearing on the final budget. Following the hearing on the tentative budget, all property owners are notified by the property appraiser, usually in mid-August, of the date, time and place of the hearing on the final budget, the proposed millage rate, and the millage rate which would have had to be levied to raise the same ad valorem property tax revenue as was raised in the preceding year.

A public hearing and adoption of the final budget and tax millage are required within 80 days, but not earlier than 65 days, after the taxable property certification by the property appraiser. This public hearing usually occurs in September.

In no event may the millage rate adopted at the final budget hearing exceed the millage rate adopted at the tentative budget hearing unless each taxpayer within the District is sent notice by mail of the taxes under the tentative adopted millage rate and the taxes under the higher rate to be adopted at the final budget hearing. The final budget is submitted to the State Department of Education. After the final budget hearing, the School Board

must certify the final millage rate to the tax collector, the property appraiser and the State Department of Revenue. The District adopted its tentative budget for Fiscal Year 2025-26 on July 24, 2025 and adopted its final budget for Fiscal Year 2025-26 on September 9, 2025.

FINANCIAL RESULTS AND LIABILITIES OF THE DISTRICT

The following briefly describes financial results of the District and certain District liabilities. For additional information concerning such matters, see "APPENDIX B – EXCERPTED PAGES FROM THE ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE SCHOOL BOARD OF LEE COUNTY, FLORIDA FOR THE FISCAL YEAR ENDED JUNE 30, 2025" hereto.

Accounting and Funds

The financial and accounting practices of the District are designed to conform to generally accepted accounting principles applied to governmental units. The District implemented the provisions of GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments ("GASB 34"), and related GASB pronouncements, during the fiscal year ended June 30, 2002. GASB 34 created new basic financial statements for reporting the District's financial activities. In addition to fund-basis financial statements, the financial statements now include government-wide financial statements prepared on the accrual basis of accounting that split the District's programs between governmental and business-type activities. For Fiscal Year 2025-26, the organization of such financial statements was generally as follows:

Government-Wide and Fund Financial Statements.

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities* that rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the District is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function (i.e., food service fees, student fees, print fees, and transportation fees), and (2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function (i.e., Federal food service,

transportation, and Public Education Capital Outlay grants). Taxes and other items not properly included among program revenues are reported instead as *general revenue*.

The effects of interfund activities have been eliminated from the government-wide financial statements except for interfund services provided and used. Interfund transactions include transactions involving the internal service funds. These transactions were eliminated by allocating the change in net position of internal services funds in direct proportion as they were charged as expenses to the various functions/programs.

Fund financial statements report detailed information about the District in the governmental and proprietary funds. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Nonmajor funds are aggregated and reported in a single column. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, a reconciliation is presented with each of the governmental fund financial statements.

The District reports the following major governmental funds:

General Fund is the District's primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund.

Debt Service Fund – Certificates of Participation accounts for the resources accumulated and payments made for principal, interest, and related costs on the long-term Certificates of Participation.

Capital Projects Fund – Local Capital Improvement Tax accounts for the resources used for the acquisition or construction of major capital facilities financed through tax levies pursuant to Section 1011.71(2), Florida Statutes.

Capital Projects Fund – Certificates of Participation/Impact Fees/State Grants accounts for the resources used for the acquisition or construction of major capital facilities financed through certificates of participation, impact fees, and state capital grant proceeds.

Additionally, the District reports the following fund type:

Internal Service Funds account for the self-insurance programs.

Separate financial statements are provided for government funds and proprietary funds.

Auditing System

The District has an annual independent financial audit. The Department of Education conducts financial compliance reviews on a regular basis of each school district to ensure that the school districts comply with State regulations. In conjunction with this review, the Financial Management Section of the Florida Department of Education reviews the cost reporting system of each school district to ensure that the Financial and Program Costs Accounting and Reporting for Florida schools is being properly implemented by the School Board.

In addition to the annual reports prepared by the District and submitted to the State Department of Education, the District's financial statements are audited by independent auditors. Pursuant to Florida law, the District's financial operations are subject to audit by independent auditors two out of every three years. The Auditor General of the State of Florida audits the District's financial statements one out of every three years. Excerpted Pages from the Annual Comprehensive Financial Report of the School Board for the Fiscal Year ended June 30, 2025 are presented as "APPENDIX B – EXCERPTED PAGES FROM THE ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE SCHOOL BOARD OF LEE COUNTY, FLORIDA FOR THE FISCAL YEAR ENDED JUNE 30, 2025" hereto. In addition, the School Board has retained a firm of independent certified accountants as its School Board auditor.

Retirement Programs and Other Post-Employment Benefits

Florida Retirement System. Essentially all regular employees of the District are eligible to enroll as members of the Florida Retirement System (the "FRS"). The FRS is a single retirement system administered by the Florida Department of Management Services ("DMS"), and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (the "FRS Pension Plan"), a Deferred Retirement Option Program (the "DROP"), a Retirement Health Insurance Subsidy Plan (the "HIS Plan"), and a defined-contribution plan, referred to as the Florida Retirement System Investment Plan (the "Investment Plan"). A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, information about the FRS's fiduciary net position, and other relevant information, is available from the DMS at: www.dms.myflorida.com.

FRS Pension Plan. The Florida Legislature establishes contribution rates for employers and employees participating in the FRS Pension Plan. The District's contributions to the FRS Pension Plan for Fiscal Year 2024-25 totaled \$54.7 million, which was equal to the required contributions for such fiscal year. At June 30, 2025, the District reported a liability of \$363.3 million for its proportionate share of the FRS Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an

actuarial valuation as of July 1, 2024. The District's proportionate share of the net pension liability was based on the District's Fiscal Year 2023-24 contributions relative to the total fiscal year 2023-24 contributions of all participating members. At June 30, 2024, the District's proportion was 0.939098349%, which was a decrease of 0.0030571829 from its proportion measured as of June 30, 2023. For the Fiscal Year ended June 30, 2025, the District recognized the FRS Pension Plan pension expense of \$54.0 million. In addition, the District reported deferred outflows of resources of \$152.5 million and deferred inflows of resources of \$44.1 million related to the FRS Pension Plan.

HIS Plan. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. The District's contributions to the HIS Pension Plan totaled \$12.3 million for Fiscal Year 2024-25. At June 30, 2025, the District reported a net pension liability of \$209.5 million for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The District's proportionate share of the net pension liability was based on the District's Fiscal Year 2023-24 contributions relative to the total fiscal year 2023-24 contributions of all participating members. At June 30, 2024, the District's proportion was 1.396554511%, which was a decrease of 0.000527950 from its proportion measured as of June 30, 2023. For the Fiscal Year 2024-25, the District recognized pension expense of \$8.2 million related to the HIS Plan. In addition, the District reported deferred outflows of resources of \$20.3 million and deferred inflows of resources of \$29.6 million related to the HIS Plan.

Investment Plan. The District contributes to the Investment Plan for its eligible employees electing to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The District's total contribution to the plan totaled \$17.7 million for Fiscal Year 2024-25.

Early Retirement Program. The District also implemented an early retirement incentive program to eligible employees in the past. See Note 16 to the Basic Financial Statements in APPENDIX B hereto for additional information regarding such early retirement program.

ALL POTENTIAL PURCHASERS OF THE SERIES 2026A CERTIFICATES SHOULD REVIEW NOTES 14, 15 AND 16 OF THE NOTES TO THE BASIC FINANCIAL STATEMENTS AND REQUIRED SUPPLEMENTARY INFORMATION SET FORTH IN "APPENDIX B – EXCERPTED PAGES FROM THE ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE SCHOOL BOARD OF LEE COUNTY, FLORIDA FOR THE FISCAL YEAR ENDED JUNE 30, 2025 AND INDEPENDENT AUDITORS' REPORT" ATTACHED HERETO. SUCH NOTES 14, 15 AND 16 AND REQUIRED SUPPLEMENTARY INFORMATION CONTAIN DESCRIPTIONS OF THE PENSION PLANS AND

MATERIAL FINANCIAL INFORMATION CONCERNING THE PLANS, INCLUDING BUT NOT LIMITED TO, INFORMATION REGARDING CONTRIBUTIONS, COSTS, FUNDED STATUS AND FUNDING PROGRESS.

Other Post-Employment Benefits. In addition to its contributions under the State's retirement plan described above, the District provides other postemployment benefits ("OPEB") for certain of its retired employees in the form of an implicit rate subsidy by providing access to health insurance plans requiring the use of a single "blended" or "common" rate for both active and retired employees. The offering of this health insurance coverage is required by Section 112.0801, Florida Statutes.

As with all governmental entities providing similar plans, the District implemented Governmental Accounting Standard's Board Statement No. 75 - Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pension ("GASB 75") during Fiscal Year 2017-18. The District had historically accounted for its OPEB contributions on a pay as you go basis and then implemented General Accounting Standard's Board Statement No. 45 which required governmental units to include future OPEB costs in their financial statements. While GASB 75 requires recognition and disclosure of the unfunded OPEB liability, there is no requirement that the liability of such plan be funded. To comply with GASB 75, the District retained an actuary (the "Actuary") to review the District's OPEB liabilities and provide the District with a written valuation. The Actuary determined the accrued liability related to OPEB, which approximates the present value of all future expected postretirement life and medical premiums and administrative costs which are attributable to the past service of those retired and active employees, at \$45,481,571 as of June 30, 2024, and was determined by an actuarial valuation date as June 30, 2023 and update procedures used to determine the total OPEB liability as of June 30, 2025, which reflects the District's approximately \$1,892,815 contribution towards its OPEB liability during Fiscal Year 2024-25.

While the District does not know at this time what its ultimate OPEB liabilities will be in connection with GASB 75 compliance in the future or how much of the related annual required contributions it will need to budget in future years, it expects its OPEB liability to be manageable within its normal budgeting process.

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Below are the details regarding the total OPEB liability from June 30, 2024 to June 30, 2025:

	<u>Total OPEB Liability</u>
Balance Recognized at 06/30/2024	\$44,064,090
Changes for the Fiscal Year:	
Service Cost	1,892,815
Interest	1,738,235
Differences Between Expected and Actual Experience	-
Changes in Assumptions and Other Inputs ⁽¹⁾	(363,728)
Benefit Payments	<u>(1,849,841)</u>
Net Changes	<u>1,417,481</u>
Balance at 06/30/2025	<u>\$45,481,571</u>

⁽¹⁾ The discount rate was changed from 3.86% in 2023 to 3.93% in 2024.

Source: Annual Comprehensive Financial Report of The School Board of Lee County, Florida for the Fiscal Year Ended June 30, 2025.

For additional information on OPEB liability, including assumptions on which the calculation is based, see Note 17 and the Required Supplementary Information to the audited financial statements for the Fiscal Year ended June 30, 2025 attached as APPENDIX B hereto.

General Fund Operations

The District's general fund revenues are derived from federal and State appropriations and local sources. The table on the following page summarizes results of operations for the General Fund for the audited Fiscal Years ended June 30, 2022, 2023, 2024 and 2025 and the adopted budget for the Fiscal Year ending June 30, 2026.

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School District of Lee County, Florida
Statement of Operations for the General Fund Fiscal Years 2022-2025
and Budget for Fiscal Year 2026

	Audited				Budgeted
	Actual 2021-22	Actual 2022-23	Actual 2023-24	Actual 2024-25	2025-26
BEGINNING FUND BALANCES:					
Nonspendable	\$3,727,443	\$3,907,006	\$5,926,704	\$5,612,694	\$3,428,035
Restricted	43,504,562	41,651,801	44,165,642	85,790,400	80,213,484
Assigned	5,385,855	1,852,326	3,456,528	2,786,512	9,262,210
Unassigned	111,704,335	124,211,753	136,220,296	148,771,223	136,751,431
Total	\$164,322,195	\$171,622,886	\$189,769,170	\$242,960,829	\$229,655,160
REVENUE:					
Local Source:					
Ad Valorem Tax	\$440,634,741	\$504,928,133	\$562,274,239	\$584,253,859	\$620,054,606
Interest	(4,073,479) ⁽¹⁾	16,138,791	29,745,848	31,560,440	15,000,000
Miscellaneous Revenues	27,740,134	31,934,040	32,817,328	32,018,860	18,898,223
Total Local	\$464,301,396	\$553,000,964	\$624,837,415	\$647,833,159	\$653,952,829
State Sources:					
FEFP	\$233,654,912	\$214,872,536	\$249,364,125	\$258,259,215	\$230,475,018
Categorical Grants	1,759,877	5,464,517	7,831,381	5,620,305	-
Other	100,908,881	104,715,018	156,642,656	109,615,408	118,443,928
Total State	\$336,323,670	\$325,052,071	\$413,838,162	\$373,494,928	\$348,918,946
Federal Sources:					
Federal Grants	\$6,060,059	\$16,756,388	\$7,163,201	\$4,180,126	\$4,613,000
Total Federal Grants	\$6,060,059	\$16,756,388	\$7,163,201	\$4,180,126	\$4,613,000
Remittances and Transfers from Other Funds/Other	\$23,298,014	\$65,758,275	\$26,919,821	\$52,358,156	\$45,264,376
TOTAL REVENUES AND BEGINNING FUND BALANCE	\$994,305,334	\$1,132,190,584	\$1,262,527,769	\$1,320,827,198	\$1,282,404,311
EXPENDITURES:					
Current Education	\$820,960,835	\$940,929,878	\$1,015,047,287	\$1,088,135,917	\$1,242,939,638
Capital Outlay	1,522,891	1,187,651	4,470,389	3,019,635	-
Debt Services	198,722	303,885	49,264	16,486	-
Remittances and Transfers to Other Funds	-	-	-	-	-
TOTAL EXPENDITURES	\$822,682,448	\$942,421,414	\$1,019,566,940	\$1,091,172,038	\$1,242,939,638
ENDING FUND BALANCE:⁽²⁾					
Nonspendable	\$3,907,006	\$5,926,704	\$5,612,694	\$3,428,035	-
Restricted	41,651,801	44,165,642	85,790,400	80,213,484	-
Assigned	1,852,326	3,456,528	2,786,512	9,262,210	-
Unassigned	124,211,753	136,220,296	148,771,223	136,751,431	\$39,464,673
Total⁽³⁾	\$171,622,886	\$189,769,170	\$242,960,829	\$229,655,160	\$39,464,673

⁽¹⁾ Represents unrealized gain/loss.

⁽²⁾ The Ending Fund Balance in prior years represent the funds remaining at the end of that fiscal year after all expenses have occurred. For budgetary purposes, Florida law generally requires school districts to formulate a budget where Revenues plus Beginning Fund Balance equals Expenditures. Accordingly, the budgeted Ending Fund Balance in Fiscal Year 2025-26 represents only those funds set aside in reserve accounts, such as contingency, etc. All other funds have spread through school and budget departments. **Based on actual Fiscal Year 2025-26 Revenues and Expenditures to date, the District estimates its actual Fiscal Year 2025-26 Ending Fund Balance to be approximately \$208.0 million.**

⁽³⁾ Totals may not add due to rounding.

Source: Annual Comprehensive Financial Reports of The School Board of Lee County, Florida for the Fiscal Years ended June 30, 2022-2025. Adopted budget for Fiscal Year ending June 30, 2026.

General Fund Ending Balance Legislation

Section 1011.051, Florida Statutes, entitled "Guidelines for general funds" requires that if a school district's General Fund ending balance not classified as restricted, committed or nonspendable in the approved operating budget is projected to fall below three percent (3%) of projected General Fund revenues, the Superintendent shall provide written notification to the district school board and the Commissioner of Education. The section further requires that if the General Fund ending balance not classified as restricted, committed or nonspendable is projected to fall below two percent (2%) of projected General Fund revenues, the Superintendent shall provide written notification to the district school board and the Commissioner of Education. Within 14 days after receiving such notification of an ending balance below two percent (2%), if the Commissioner determines that the district does not have a plan that is reasonably anticipated to avoid a financial emergency as determined pursuant to Florida Statutes pertaining thereto, the Commissioner shall appoint a financial emergency board that may take certain delineated steps to assist a district school board in complying with the General Fund requirements. In Fiscal Year 2023-24, the District's General Fund ending balance not classified as restricted, committed or nonspendable was 14.2% of General Fund revenues. For Fiscal Year 2024-25, the District's General Fund ending balance not classified as restricted, committed or nonspendable was 14.2% of General Fund revenues. For Fiscal Year 2025-26, the District's budgeted General Fund ending balance not classified as restricted, committed or nonspendable is projected to be 3.2%* of General Fund revenues. The District has a 10% goal for its general fund ending balance and expects to reduce General Fund ending balances in future years to the 10% level.

Capital Projects Fund Operations

The District's capital projects fund revenues are derived from State appropriations and local sources. The table on the following page summarizes results of operations for the Capital Projects Fund for the audited Fiscal Years ended June 30, 2022, 2023, 2024 and 2025 and the adopted budget for the Fiscal Year ending June 30, 2026.

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* Subject to change. For budgetary purposes, Florida law generally requires school districts to formulate a budget where revenues plus beginning fund balance equals expenditures. Accordingly, the budgeted ending fund balance in Fiscal Year 2025-26 not classified as restricted, committed or nonspendable represents only those funds set aside in reserve accounts, such as contingency, etc. All other funds have spread through school and budget departments. Based on actual Fiscal Year 2025-26 Revenues and Expenditures to date, the District estimates its actual Fiscal Year 2025-26 Ending Fund Balance to be approximately \$208.0 million.

School District of Lee County, Florida
Statement of Operations for the Capital Projects Fund
for Fiscal Years 2021-2024
and Budget for Fiscal Year 2025
(Dollars in 000's)

	Audited				Budgeted
	Actual 2021-22	Actual 2022-23	Actual 2023-24	Actual 2024-25	2025-26
REVENUE:					
Local Source:					
Ad Valorem Tax	\$150,524,279	\$186,687,750	\$214,524,027	\$231,479,342	\$243,540,694
Interest Income and Other	152,031,470	163,139,497	189,096,832	174,387,596	172,945,643
Total Local	<u>\$302,555,749</u>	<u>\$349,827,247</u>	<u>\$403,620,859</u>	<u>\$405,866,938</u>	<u>\$416,486,337</u>
State Sources:					
PECO	-	-	\$18,794,392	\$4,600,000	-
Other	\$11,695,408	\$10,712,266	12,668,224	13,018,173	\$10,903,001
Total State	<u>\$11,695,408</u>	<u>\$10,712,266</u>	<u>\$31,462,616</u>	<u>\$17,618,173</u>	<u>\$10,903,001</u>
TOTAL REVENUES	<u>\$314,251,157</u>	<u>\$360,539,513</u>	<u>\$435,083,475</u>	<u>\$423,485,111</u>	<u>\$427,389,338</u>
EXPENDITURES:					
Capital Outlay and Other	\$132,327,779	\$139,650,707	274,734,022	\$325,885,193	\$714,857,880
TOTAL EXPENDITURES	<u>\$132,327,779</u>	<u>\$139,650,707</u>	<u>\$274,734,022</u>	<u>\$325,885,193</u>	<u>\$714,857,880</u>
Excess of Revenue Over (Under) Expenses	\$181,923,378	\$220,888,806	\$160,349,453	\$97,599,918	\$(287,468,542)
Other Financing Sources (Uses):					
Proceeds of Certificates of Participation	-	\$135,556,744	-	-	-
1011.13 Loans	-	-	-	-	-
Other	-	7,474,856	14,258,381	2,897,521	-
Operating Transfers In	-	-	-	-	-
Operating Transfers Out ⁽¹⁾	\$(92,683,259)	\$(92,107,312)	\$(75,941,244)	\$(101,091,115)	\$(116,293,164)
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$(92,683,259)</u>	<u>\$50,924,288</u>	<u>\$(61,682,863)</u>	<u>\$(98,193,594)</u>	<u>\$(116,293,164)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$89,240,119	\$271,813,094	\$98,666,590	\$(593,676)	\$(403,761,706)
FUND BALANCE-BEGINNING OF YEAR	\$304,574,082	\$393,814,201	\$665,627,295	\$764,293,885	\$754,336,899
Adjustment to Fund Balance	-	-	-	(4,914,421)	-
FUND BALANCE END OF YEAR⁽²⁾⁽³⁾	<u>\$393,814,201</u>	<u>\$665,627,295</u>	<u>\$764,293,885</u>	<u>\$758,785,787</u>	<u>\$350,575,193</u>

⁽¹⁾ Includes transfers for debt service payments.

⁽²⁾ The Fund Balance End of Year in prior years represent the funds remaining at the end of that fiscal year after all expenses have occurred. For budgetary purposes, Florida law generally requires school districts to formulate a budget where Revenues plus Beginning of Year Fund Balance equals Expenditures. Accordingly, the budgeted Ending Fund Balance in Fiscal Year 2025-26 represents only those Fund Balance funds set aside in reserve accounts, such as contingency, etc. All other funds have spread through school and budget departments. **Based on actual Fiscal Year 2025-26 Revenues and Expenditures to date, the District estimates its actual Fiscal Year 2025-26 Ending Fund Balance to be approximately \$750 million.**

⁽³⁾ Totals may not add due to rounding.

Source: Lee County School District.

Indebtedness

The following table summarizes the District's long-term debt. Bonded debt of the District consists of various series of local and Florida Board of Education Bond issues.

Statement of District Long-Term Debt June 30, 2025

	<u>General Obligation Debt</u>	<u>Non-Self Supporting Revenue Debt</u>	<u>Self-Supporting Revenue Debt</u>
DIRECT DEBT:			
<u>Certificates of Participation⁽¹⁾</u>			
Series 2011A		\$27,009,000 ⁽²⁾	
Series 2014A		57,450,000 ⁽³⁾	
Series 2014B		7,330,000 ⁽³⁾	
Series 2016A		50,660,000 ⁽⁴⁾	
Series 2017A		14,791,000	
Series 2017B		15,230,000	
Series 2019A		35,130,000	
Series 2020A		19,105,000	
Series 2023A		136,410,000	
<u>Leases Payable</u>			
Capital Lease		1,490	
TOTAL DIRECT DEBT	\$0	\$363,116,490	\$0

⁽¹⁾ Certificates of Participation debt is subject to annual appropriation on an all or none basis.

⁽²⁾ The final maturity of the Series 2011A Certificates is June 1, 2026.

⁽³⁾ \$51,780,000 of the Series 2014A Certificates and all of the Series 2014B Certificates were refunded on December 19, 2025 with proceeds of the Series 2025B Certificates. See INTRODUCTION" herein.

⁽⁴⁾ \$42,435,000 of the Series 2016A Certificates are expected to be refunded with proceeds of the Series 2026A Certificates. See "PURPOSE OF THE SERIES 2026A CERTIFICATES" and "THE PLAN OF REFUNDING" herein.

Source: School District of Lee County, Florida Financial Accounting Department.

OPERATING REVENUES OF THE DISTRICT

The District derives its revenues from certain State and local sources. The major categories of these income sources for the operating funds are briefly described below. **Prospective purchasers should assume that operating funds will not be available to make Lease Payments and that such payments will be made solely from funds**

appropriated from revenues available for capital outlay projects. See "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS" herein.

State Sources

Florida Education Finance Program. The major portion of State support is distributed under the provisions of the Florida Education Finance Program ("FEFP"), which was enacted by the State Legislature in 1973. Basic FEFP funds are provided on a weighted full-time equivalent ("FTE") student basis and through a formula that takes into account: (i) varying program costs; (ii) cost differentials between districts; (iii) differences in per-student costs due to the density of student population; and (iv) the required level of local support. Program cost factors are determined by the State Legislature each year. The amount of FEFP funds disbursed by the State is adjusted four times during each year to reflect changes in FTE and in other variables comprising the formula, as well as to compensate for increases or decreases in ad valorem tax revenue resulting from adjustments to the valuation of non-exempt property in each county. To participate in FEFP funding, the District must levy a minimum millage for operating purposes, which is set by the State Department of Education. General Fund receipts from the State for FEFP were \$223,139,821 for the 2021-22 Fiscal Year, \$204,129,859 for the 2022-23 Fiscal Year, \$237,785,451 for the 2023-24 Fiscal Year and \$246,248,063 for the 2024-25 Fiscal Year. General Fund receipts from the State are budgeted to be \$230,475,018 for the 2025-26 Fiscal Year.

FEFP categorical programs are lump sum appropriations from the State intended to supplement local school district revenues to enhance the delivery of educational and support services by each school district. In recent years, most categorical programs have been eliminated and the funds are now earmarked within the FEFP base student allocation. The only remaining categorical program is class size reduction. The allocation for class size reduction is based on a funding formula. The majority of the funds available require appropriation by the School Board for the purposes for which they were provided. Total State categorical aid for class size reduction was \$99,009,277 for Fiscal Year 2021-22, \$101,934,394 for Fiscal Year 2022-23, \$99,261,695 for Fiscal Year 2023-24 and \$101,000,328 for Fiscal Year 2024-25. Total State categorical aid for class size reduction is budgeted to be \$102,431,456 for Fiscal Year 2025-26.

State Lottery Revenues. A portion of the revenues generated from the State lottery is distributed to each Florida school district as Discretionary Lottery revenue and Florida School Recognition Program revenue. The Florida School Recognition program recognizes schools that have received an "A" or improved at least one letter grade from the previous school year and, under Florida Statutes, is required to be used for nonrecurring bonuses for school faculty and staff, nonrecurring expenditures for educational equipment or materials, for temporary personnel to assist schools in maintaining or improving student performance, or any combination of these. The District did not receive any Florida School Recognition revenue for Fiscal Years 2020-21 or 2021-22. The District received

\$3,647,793 in Florida School Recognition revenue for Fiscal Year 2022-23, \$5,993,809 in Fiscal Year 2023-24 and \$3,299,811 in Fiscal Year 2024-25. The District is budgeted to receive \$2,383,377 in Florida School Recognition revenue for Fiscal Year 2025-26. The District did not receive any Discretionary Lottery revenue for Fiscal Years 2021-22, 2022-23, 2023-24, 2024-25 and is not budgeted to receive any Discretionary Lottery revenue for Fiscal Year 2025-26.

Other State Revenues. The District also receives State educational funding from a variety of miscellaneous State programs, the largest of which is Workforce Development. The District received \$10,515,091 for Workforce Development in Fiscal Year 2021-22, \$10,742,677 for Fiscal Year 2022-23, \$11,578,674 for Fiscal Year 2023-24 and \$12,011,152 for Fiscal Year 2024-25. For Fiscal Year 2025-26, the District is budgeted to receive \$11,513,147 in Workforce Development revenue.

Local Sources

Ad Valorem Taxes. Local revenue for District operating support is derived almost entirely from ad valorem real and tangible personal property taxes. In addition, the District earns interest on cash invested and collects other miscellaneous revenues. See "AD VALOREM TAXATION" herein.

The Florida Constitution limits the non-voted millage rate that school boards may levy on an annual basis for operational funds to 10 mills (\$10 per \$1,000 of taxable real and personal property value). The millage limitation does not apply to taxes approved at referendum by qualified electors in the County for general obligation bonds and certain other short-term, voter approved levies. Chapter 1011, Florida Statutes, further limits the millage levy for operational purposes to an amount established each year by the State appropriations act and finally certified by the Commissioner of the State of Florida Department of Education. Within this operational limit, each school district desiring to participate in the State's allocation of FEFP funds for current operations must levy a non-voted millage rate that is determined annually by the State Legislature and certified by the Commissioner of the State of Florida Department of Education and is referred to as the district "Required Local Effort." For the Fiscal Year ended June 30, 2025, the District's required local effort was 3.038 mills, inclusive of a Prior Period Funding Adjustment Millage of 0.012 mills as required by Section 1011.62(4)(e), Florida Statutes, and is 3.071 mills for the Fiscal Year ending June 30, 2026. For Fiscal Year 2025-26, the District is not levying a Prior Period Funding Adjustment Millage. Such Prior Period millage is levied when the preliminary taxable value for the prior year is greater than the final taxable value for such year, thereby resulting in lower than expected revenues from the required local effort millage.

In addition to the "Required Local Effort," school districts are entitled to levy an additional non-voted current operating "discretionary millage" not to exceed an amount established annually by the legislature and up to 1.5 mills for capital outlay and

maintenance of school facilities. However, the District may levy up to 0.25 mills for capital outlay and maintenance of school facilities in lieu of operating discretionary millage. For the Fiscal Year ended June 30, 2025, the District's discretionary operating millage was 0.748 mills and is 0.748 mills for the Fiscal Year ending June 30, 2026. The District did not levy any capital outlay discretionary millage for the Fiscal Year ended June 30, 2025 and is not levying any capital outlay discretionary millage for the Fiscal Year ending June 30, 2026. See "AD VALOREM TAXATION - Millage Set by Local Governing Body" herein.

Ad Valorem Tax Revenue collections for operating levies were \$440,634,741 for Fiscal Year 2021-22, \$504,928,133 for Fiscal Year 2022-23, \$562,274,239 for Fiscal Year 2023-24 and \$584,253,859 for Fiscal Year 2024-25. Budgeted ad valorem tax revenues for operating levies are \$620,054,606 for Fiscal Year 2025-26.

Budgeted revenues from ad valorem taxes are based on applying millage levies to ninety-six percent (96%) of the non-exempt assessed valuation of real and personal property within the County.

Special Revenue Sources

The District also receives certain local, State and federal moneys, substantially all of which are restricted for specific programs. Programs funded with these special revenue sources in the past include school food service operations and programs financed through the Individuals with Disabilities Education Act, the Education Consolidation and Improvement Act and other federally financed programs.

AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS

State Revenue Sources

Public Education Capital Outlay. One source of State educational funding contributions to the District's capital outlay requirements is the Florida Public Education Capital Outlay Program ("PECO"). The method of allocation of funds to the district school boards is provided by state law based upon a statutory formula, components of which are the number of students in various districts and the proposed uses of the funds by the various districts. The Florida Department of Education administers the PECO program and allocates or reallocates funds as authorized by law. In recent years, PECO funds have almost exclusively been allocated to charter schools in the State. The District did not receive any non-charter school PECO Funds in Fiscal Years 2021-22 or 2022-23. However, through the legislative process, the District did receive \$18,794,392 in PECO funds in Fiscal Year 2023-24 for expansion of Cape Coral Technical College as well as funds for Hurricane Ian losses. In Fiscal Year 2024-25, the District received an additional \$4,600,000 from legislative PECO funds for its two technical colleges. PECO funds distributed to

charter schools in Fiscal Years 2021-22, 2022-23, 2023-24 and 2024-25 were \$6,450,051, \$6,649,751, \$7,607,874 and \$8,212,376, respectively. For Fiscal Year 2025-26, charter school PECO funds are budgeted to be \$8,787,001.

Capital Outlay and Debt Service Funds. The District also receives motor vehicle license revenues, also known as capital outlay and debt service ("CO&DS") funds. CO&DS funds can be used to make lease-purchase payments, but only if the lease-purchase facility appears on the project priority list (the "PPL") approved by the State Board of Education. The Series 2016A Facility is not on the PPL. In Fiscal Year 2021-22, the District received \$3,526,566 in CO&DS funds, received \$3,684,387 in Fiscal Year 2022-23 and \$3,949,560 of such funds for Fiscal Year 2023-24. The District received \$4,294,999 of such funds in Fiscal Year 2024-25. The District is budgeted to receive \$1,600,000 in CO&DS funds in Fiscal Year 2025-26.

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

Local Revenue Sources

General. The majority of local revenue for school district support is derived from real and tangible personal property taxes described in "AD VALOREM TAXATION" herein. In addition, the District receives Discretionary Sales Surtax (as defined herein) revenues, educational impact revenues and earns interest on cash invested and collects other miscellaneous revenues.

THE SCHOOL BOARD EXPECTS TO PAY THE BASIC LEASE PAYMENTS REPRESENTED BY THE SERIES 2026A CERTIFICATES FROM REVENUES DERIVED FROM THE LOCAL OPTION MILLAGE LEVY. THE SCHOOL BOARD DOES NOT HAVE THE ABILITY TO APPROPRIATE BASIC LEASE PAYMENTS FOR ONE LEASE OR SOME COMBINATION OF LEASES ONLY. THE SCHOOL BOARD'S ANNUAL APPROPRIATION FOR BASIC LEASE PAYMENTS MUST BE FOR ALL LEASES UNDER THE MASTER LEASE PROGRAM OR IT MUST TERMINATE ALL LEASES UNDER THE MASTER LEASE. IN THE EVENT THE SCHOOL BOARD DECIDES NOT TO APPROPRIATE FUNDS IN ITS ANNUAL BUDGET FOR ALL OF SUCH LEASES, THE SCHOOL BOARD WOULD, AT THE TRUSTEE'S OPTION, HAVE TO SURRENDER MASTER LEASED FACILITIES, INCLUDING THE SERIES 2016A FACILITY, TO THE TRUSTEE FOR THE BENEFIT OF THE OWNERS OF THE CERTIFICATES WHICH FINANCED OR REFINANCED SUCH FACILITIES.

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

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

Pursuant to Section 212.054, Florida Statutes, the Florida Department of Revenue ("FDOR") has the responsibility to administer, collect and enforce all surtaxes, including the Discretionary Sales Surtax. The proceeds of the Discretionary Sales Surtax are transferred to the Discretionary Sales Surtax Clearing Trust Fund. A separate account in the trust fund is to be established for each county or school board imposing such a surtax. FDOR is authorized to deduct up to 3% of the total revenue generated for all counties or school boards levying a surtax for administrative costs. The amount deducted for administrative costs is required to be used only for those costs solely and directly attributable to the surtax. The total administrative costs are to be prorated among those counties or school boards levying the surtax on the basis of the amount collected for a particular county or school board to the total amount collected for all counties or school boards.

Pursuant to Section 212.15, Florida Statutes, vendors are required to remit sales tax receipts by the twentieth (20th) day of the month immediately following the month of collection. No statute prescribes a deadline for remitting surtax proceeds to the local governing bodies. However, according to the accounting division of FDOR, FDOR consistently remits the surtax proceeds to such local governing bodies by the twenty-fifth (25th) day of the month immediately following receipt by FDOR.

On February 5, 2018, the School Board duly adopted a resolution (the "Sales Tax Resolution") providing for the levying and imposition, throughout the incorporated and unincorporated areas of the County, of an additional tax of 0.5% per dollar on all

transactions occurring in the County subject to the aforementioned 6% tax (the "Discretionary Sales Surtax"), the proceeds of which will be applied to pay the costs of acquisition, construction, renovation, equipping and financing of public schools facilities and technology, including, the construction of new schools, reconstruction and renovation of existing schools, acquisition of equipment, including safety and security equipment and technology within the District. The Sales Tax Resolution also authorized the use of Discretionary Sales Surtax proceeds to make lease payments under new money lease-purchase agreements originally entered into after the effective date of the Discretionary Sales Surtax (but not the Series 2016A Lease which originally was entered into prior to the effective date of the Discretionary Sales Surtax).

On November 6, 2018, the levy of the Discretionary Sales Surtax was placed on the ballot and approved by a majority of the electors of Lee County who voted in the referendum. The Discretionary Sales Surtax is effective for a 10-year period commencing January 1, 2019 and ending December 31, 2028. The District received \$115,800,155 in Discretionary Sales Surtax revenues in Fiscal Year 2021-22, \$116,257,039 in Fiscal Year 2022-23, \$125,188,440 in Fiscal Year 2023-24 and \$118,179,141 in Fiscal Year 2024-25. The District is budgeted to receive \$117,622,643 in Discretionary Sales Surtax revenues in Fiscal Year 2025-26. However, see "LITIGATION" herein for information regarding a lawsuit filed by the operator of six charter schools in the County to require the District to share Discretionary Sales Surtax revenues with those charter schools in the District. The District currently utilizes Discretionary Sales Surtax revenues to pay the Basic Lease Payments represented by the Series 2020A Certificates and the Series 2019A Certificates.

**Coverage from Discretionary Sales Surtax Revenues
of Basic Lease Payments Represented by
the Series 2020A Certificates
and Series 2019A Certificates**

	Fiscal Year 2024
Discretionary Sales Surtax Revenues	\$118,179,141 ⁽¹⁾
Maximum Annual Basic Lease Payments Represented by the Series 2020A Certificates and Series 2019A Certificates	19,909,250
Coverage	5.94x
Remaining Sales Tax Revenues	\$ 98,269,891

⁽¹⁾ The School Board expects to pay all of the Basic Lease Payments represented by the Series 2020A Certificates and the Series 2019A Certificates from Discretionary Sales Surtax revenues.

The amount of Discretionary Sales Surtax revenues distributed to the District is subject to increase or decrease due to (i) increases or decreases in the dollar volume of taxable sales within the County, (ii) legislative changes relating to the sales tax, which may

include changes in the scope of taxable sales, and (iii) other factors which may be beyond the control of the District. See also, "RISK FACTORS - State Revenues" and " - Coronavirus (COVID-19)" herein.

WHILE THE SCHOOL BOARD EXPECTS TO USE DISCRETIONARY SALES SURTAX REVENUES TO PAY ALL OF THE BASIC LEASE PAYMENTS REPRESENTED BY THE SERIES 2020A CERTIFICATES AND THE SERIES 2019A CERTIFICATES, THE DISCRETIONARY SALES SURTAX REVENUES ARE NOT PLEDGED TO THE PAYMENT OF THE SERIES 2026A CERTIFICATES, THE SERIES 2020A CERTIFICATES OR THE SERIES 2019A CERTIFICATES, AND NONE OF THE HOLDERS OF THE SERIES 2020A CERTIFICATES, THE SERIES 2019A CERTIFICATES OR ANY OTHER CERTIFICATES WILL HAVE A LIEN UPON ANY DISCRETIONARY SALES SURTAX REVENUES. ADDITIONALLY, THE DISCRETIONARY SALES SURTAX REVENUES MAY BE PLEDGED TO SECURE OTHER BONDS OR OBLIGATIONS ISSUED BY THE DISTRICT IN THE FUTURE AND THE HOLDERS OF SUCH BONDS OR INDEBTEDNESS WOULD HAVE A PRIOR LIEN UPON SUCH DISCRETIONARY SALES SURTAX REVENUES. NOTWITHSTANDING THE FOREGOING, THE DISTRICT DOES NOT CURRENTLY ANTICIPATE THE ISSUANCE OF ANY BONDS OR OBLIGATIONS SECURED BY A PLEDGE OF, AND LIEN UPON, THE DISCRETIONARY SALES SURTAX REVENUES; PROVIDED HOWEVER, THE DISTRICT MAY CAUSE THE ISSUANCE OF ADDITIONAL CERTIFICATES PAYABLE FROM DISCRETIONARY SALES SURTAX REVENUES.

Local Option Millage Levy. The School Board intends to make Lease Payments on the Series 2016A Lease and certain of the Prior Leases (but not the Series 2020A Prior Lease and Series 2019A Prior Lease) from moneys derived from a levy of a non-voted, real and tangible personal property tax millage, known as the "Local Option Millage Levy," for capital outlay and maintenance purposes. The Local Option Millage Levy may be up to 1.50 mills (each mill represents \$1 of tax assessment per \$1,000 of property value assessment, subject to certain exclusions). This levy may be used for, among other things, new construction and remodeling; site acquisition and site improvement; auxiliary or ancillary facilities; maintenance, renovation, and repair of existing school plants; school bus purchases; new and replacement equipment and computer hardware; payment of costs directly related to compliance with State and federal environmental laws; payment of leasing relocatable education facilities and of renting and leasing educational facilities pursuant to Section 1013.15, Florida Statutes; payment of loans approved pursuant to Sections 1011.14 and 1011.15, Florida Statutes; and amounts payable pursuant to lease-purchase agreements for educational facilities and sites.

Local Option Millage Levy receipts increased from \$150,524,279 for the 2021-22 Fiscal Year to \$186,687,750 for the 2022-23 Fiscal Year. Local Option Millage Levy

receipts were \$214,524,027 for the 2023-24 Fiscal Year, \$231,479,342 for the 2024-25 Fiscal Year and are budgeted to be \$243,540,694 for the 2025-26 Fiscal Year.

Prior to July 1, 2012, payments from the Local Option Millage Levy for lease-purchase agreements for educational facilities and sites were not permitted to exceed three-fourths of the proceeds of the Local Option Millage Levy. However, effective July 1, 2012, the three-fourths limitation was waived for lease-purchase agreements originally entered into prior to June 30, 2009. Since revenues from the Local Option Millage Levy may be used for, but are not pledged to, the payment of Basic Lease Payments under the Prior Leases and the Series 2016A Lease, the failure of the District to levy all or a portion of the Local Option Millage Levy would have an adverse effect on available revenues from which the School Board may appropriate funds to make Basic Lease Payments. In the event that revenues generated from the Local Option Millage Levy are insufficient to make payments under a lease-purchase agreement entered into prior to June 30, 2008, an amount equal to the revenue generated from 0.50 mills of the operating levy may be used to make such Lease Payments. Additionally, if the revenue from 1.50 mills is insufficient to make payments under a lease-purchase agreement entered into prior to June 30, 2009 or to meet other critical capital needs, a school board may elect to levy up to 0.25 for capital purposes in lieu of a like amount of discretionary operating millage. See "RECENT GOVERNMENTAL ACTIONS AFFECTING DISTRICT REVENUES – Distribution of Capital Outlay Funds to Charter Schools" herein.

Sharing of Local Option Millage with Charter Schools. On May 11, 2023, CS/CS/HB 1259 ("HB 1259") was signed into law by Florida Governor Ron DeSantis. HB 1259 modifies the provisions of Section 1013.62, Florida Statutes, relating to Local Option Millage Levy revenues that are required to be shared with eligible charter schools in each school district in the State. HB 1259 removes a previously existing State funding threshold for purposes of determining whether Local Option Millage revenues must be shared with eligible charter schools in a school district and establishes a five-year glide path of local sharing of Local Option Millage revenues between each school district in the State and eligible charter schools therein. The calculation methodology set forth in HB 1259 first reduces a school district's available Local Option Millage Levy revenues by the school district's annual debt service for obligations incurred as of March 1, 2017, which are being satisfied by Local Option Millage Levy revenues and which have not been subsequently retired. The remaining Local Option Millage Levy revenues are then divided by the sum of (a) the school district's capital outlay FTE students and (b) the total number of FTE students at eligible charter schools in the school district to determine a capital outlay allocation per FTE student. Next, such capital outlay allocation per FTE student is multiplied by the total number of FTE students at each eligible charter school in the school district to determine a capital outlay allocation for each charter school in the school district. Next, if applicable, the capital outlay allocation to each charter school is reduced by the total amount of State funds allocated to each charter school in the school district thereby reducing the amount of Local Option Millage Levy revenues required to be shared by the

school district. The remaining amount, if any, is the amount the school district must share with eligible charter schools in the school district in such year. However, the legislation provides for a five-year phase in for such amounts so that the amount to be paid by the school district for each year pursuant to the above-described methodology were multiplied by 20% for Fiscal 2023-24, and increase by 20% each year until Fiscal Year 2027-28 at which time it would equal 100% of the amount described in the preceding sentence. HB 1259 took effect on July 1, 2023. These provisions of HB 1259 are expected to reduce the amount of Local Option Millage Levy revenues available to the School Board to make Basic Rent Payments on the Series 2026A Certificates. For Fiscal Year 2025-26, the District shared \$10.4 million in Local Option Millage Levy revenues with eligible charter schools in the District. Such amount is projected to increase to approximately \$27.9 million by Fiscal Year 2030-31. However, the School Board does not expect any such reduction to adversely impact its ability to make Basic Lease Payments under the Master Lease in future years.

Local Option Millage Levy Required to Cover Certificate Payments

The table below sets forth the Local Option Millage Levy that would provide 1.00x coverage of the maximum annual lease payments on certain of the Prior Certificates (but not the Series 2020A Certificates and Series 2019A Certificates which are expected to be paid solely from Discretionary Sales Surtax revenues) and the Series 2026A Certificates, assuming a 96% collection of the taxes levied.

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<i>Fiscal Year 2025-26</i>	
Net Taxable Assessed Valuation⁽¹⁾	\$168,587,649,227
Local Option Millage Levy	1.50
Assumed Tax Collection Rate	96.0%
Total Revenue Generated by 1.50 mill Levy at 96% Collection	\$242,766,215
<i>FY 2025-26 Local Option Millage Levy Required to Satisfy Maximum Annual Basic Lease Payments Represented by Certain of the Prior Certificates and the Series 2026A Certificates</i>	
Maximum Annual Basic Lease Payments Represented by Certain of the Prior Certificates and the Series 2026A Certificates (Fiscal Year 2027-2028) ⁽²⁾⁽³⁾	\$57,655,200
Minimum Local Option Millage Levy Needed to Satisfy Maximum Annual Lease Payments Represented by Certain of the Prior Certificates and the Series 2026A Certificates ⁽²⁾⁽³⁾⁽⁴⁾	0.36 mills
<i>Sharing of the Local Option Millage Levy with Eligible District Charter Schools</i>	
Maximum Local Option Millage Levy Revenue Shared with Eligible District Charter Schools ⁽⁵⁾	\$10,376,839
Maximum Local Option Millage Levy Shared with Eligible District Charter Schools	0.06 mills
Minimum Local Option Millage Levy Revenue Remaining after Charter School Payments	\$232,389,376
<i>Local Option Millage Levy Available After Basic Lease Payments and Charter School Payments</i>	
Local Option Millage Levy Revenue Required to Satisfy Maximum Annual Basic Lease Payments and Charter School Payments ⁽²⁾⁽³⁾⁽⁴⁾	\$68,032,039
Local Option Millage Levy Required to Satisfy Maximum Annual Basic Lease Payments and Charter School Payments ⁽²⁾⁽³⁾⁽⁴⁾	0.42 mills
Anticipated Minimum Local Option Millage Levy Revenue Remaining After Basic Lease Payments and Charter School Payments ⁽²⁾⁽³⁾⁽⁴⁾	\$174,734,176

⁽¹⁾ Final, certified figure.

⁽²⁾ As described above, the School Board expects to use Discretionary Sales Surtax revenues to pay all of the Basic Lease Payments represented by the Series 2020A Certificates and the Series 2019A Certificates. Accordingly, the table above does not include any portion of the Basic Lease Payments represented by the Series 2020A Certificates and the Series 2019A Certificates. In the event the School Board were to use Local Option Millage Levy revenues to pay the eligible portion of the Series 2020A Certificates and Series 2019A Certificates, the Maximum Annual Basic Lease Payments represented by all of the Prior Certificates and the Series 2026A Certificates are estimated to equal approximately \$77,560,950, resulting in a minimum Local Option Millage Levy of 0.48 mills required to satisfy such Maximum Annual Basic Lease Payments. For purposes of the foregoing, the 75% limitation described in footnote (4) below is not taken into account.

⁽³⁾ Assumes the Outstanding Certificates have the financial arrangements, assumptions, and accounting practices described in footnotes under "COMBINED PRIOR CERTIFICATE PAYMENT SCHEDULE." Also assumes the refunding of the Refunded Certificates and the Series 2026A Certificates are issued in the aggregate principal amount of \$38,830,000 with a true interest cost of 3.123% and a final maturity of August 1, 2035.

⁽⁴⁾ Under current law, the 75% limitation on the use of the Local Option Millage Levy revenues for the payment of lease-purchase agreements is waived for lease-purchase agreements originally entered into prior to June 30, 2009. Accordingly, only the Lease Payments with respect to Leases originally entered into after June 30, 2009 are subject to the 75% limitation. The Series 2016A Prior Lease, the Series 2023A Prior Lease and the Series 2025A Prior Lease are subject to the 75% limitation. However, such limitation has not been taken into account in the table above in calculating the estimated millage levy that would satisfy the Maximum Annual Basic Lease Payments. The Series 2020A Prior Lease and Series 2019A Prior Lease are also subject to such limitation, although no Basic Lease Payments under the Series 2020A Lease and Series 2019A Prior Lease are included in the table above. Assuming the 75% limitation were applicable to all of the Prior Leases, the Series 2016A Lease and the eligible portions of the Series 2020A Prior Lease and the Series 2019A Prior Lease, the School Board would need to levy approximately 0.64 mills, 75% of the revenues of which would be sufficient to pay the Maximum Annual Basic Lease Payments represented by the Prior Certificates and the Series 2026A Certificates.

⁽⁵⁾ Actual Fiscal Year 2025-26 figure. At this time, the amount of the Local Option Millage Levy revenues to be shared with eligible charter schools in future years cannot be determined because the amount of State Charter School Capital Outlay Funding, number of eligible charter schools and charter school enrollment are unknown. See "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS – Local Sources" and "RISK FACTORS – Distribution of Capital Outlay Funds to Charter Schools" herein.

Educational Impact Fees. In 2001, the Board of County Commissioners of Lee County enacted Ordinance No. 01-21, which imposed a school impact fee effective December 1, 2001. Such fees are imposed on all new residential construction occurring within the County. Revenues generated through school impact fee levies are deposited into a school impact fee trust account and must be used solely for the purpose of providing growth-necessitated capital improvements to educational plants and ancillary plants of the District's school system which have been approved by the School Board in its capital budget consistent with the District's school plant survey filed with the Florida Department of Education. Such revenues are also available to, but not pledged for, the payment of debt service on obligations of the District (including, without limitation, lease-purchase obligations), the proceeds of which are used to finance the acquisition and construction of qualifying educational and ancillary plants. The impact fees are subject to repeal by a majority vote of the Board of County Commissioners of the County should any of the following events occur:

- a. The State alters its funding level to the School Board as a result of the levying of school impact fees; or
- b. The School Board substantially redistributes and/or reallocates the percentage of money designated in its impact fee study from growth-necessitated capital expenditures to money designated for operating expenses or non-growth-necessitated capital improvements; or
- c. The School Board fails to maintain the maximum Local Option Levy Millage allowed by Section 1011.71, Florida Statutes, for capital improvements.

The District received \$35,591,196 in Fiscal Year 2021-22, \$32,194,262 in Fiscal Year 2022-23, \$33,506,869 in Fiscal Year 2023-24 and \$29,769,485 in Fiscal Year 2024-25 and is budgeted to receive approximately \$30,000,000 in Fiscal Year 2025-26. In March 2018, the County adopted new collection rates for impact fees for three years. At the same time, the County only approved a 45% collection rate for the District. Beginning in March 2018, the collection rate increased by 2.5% per year until it reached 55% and then additional action must be taken by the County to increase it above the 55% level. The current collection rate is 52.5%. The County's current educational system impact fees schedule is \$5,484, collecting \$2,879 per single-family residential unit, \$2,123, collecting \$1,115 per multi-family residential unit and \$1,182, collecting \$621 per mobile home. **The school impact fee rates, as well as their levy, are subject to mandatory review by the County, in consultation with the School Board and the municipalities within the County, at least once every four years. Therefore, there can be no assurance that such revenues will be continued to be levied and available to the School Board in the future. In the aftermath of Hurricane Ian, legislation was passed that prohibited an increase to impact fee rates until October 2026 for areas within 100 miles of the impact of the storm. See also, "RISK FACTORS - Educational Impact Fees" herein.**

AD VALOREM TAXATION

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

Property Assessment and County Property Appraiser

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

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

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

Owners of homestead property may transfer up to \$500,000 of their Save Our Homes Benefit to a new homestead property purchased within three years of the sale of their previous homestead property to which such benefit applied if the just value of the new homestead is greater than or is equal to the just value of the prior homestead. If the just value of the new homestead is less than the just value of the prior homestead, then owners of homestead property may transfer a proportional amount of their Save Our Homes Benefit, such proportional amount equaling the just value of the new homestead divided by the just value of the prior homestead multiplied by the assessed value of the prior homestead.

For all levies other than school district levies, assessment increases for specified non-homestead real property may not exceed 10% of the assessment for the prior year. See "Legislation Relating to Ad Valorem Taxation – Recent Amendments Relating to Ad Valorem Taxation" below.

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

Appealing Property Valuation. Concurrently with notification to the various taxing bodies, the Property Appraiser notifies each property owner of the proposed valuation and the proposed millage on his or her property. If the individual property owner believes that his or her property has not been appraised at just value, the owner may (a) request an informal conference with the Property Appraiser to resolve the issue, (b) file a petition with the clerk of the County value adjustment board (the "Adjustment Board"), or (c) appeal to the Circuit Court within 60 days of the certification for collection of the tax roll or within 60 days of the issuance of a final decision by the Adjustment Board. A petition to the Adjustment Board must be signed by the taxpayer or be accompanied at the time of filing by the taxpayer's written authorization for representation by a qualified person. Property owners appealing the assessed value or assigned classification of their property must make a required partial payment of taxes (generally equal to 75% of the ad valorem taxes due, less the applicable statutory discount, if any) with respect to the properties that will have a petition pending on or after the delinquency date (normally April 1). A property owner's failure to make the required partial payment before the delinquency date will result in the denial of the property owner's petition. A taxpayer receives notice of the hearing and is required to provide the Property Appraiser with a list of evidence, copies of documentation, and summaries of testimony prior to the hearing before the Adjustment Board. The Adjustment Board holds public hearings on such petitions and may make adjustments to

the valuations made by the Property Appraiser if such valuations are found not to be fair and at market value. The Adjustment Board must complete all required hearings and certify its decision with regard to all petitions and certify to the Property Appraiser the valuation to be used by June 1 following the tax year in which the assessments were made. The June 1 requirement shall be extended until December 1 in each year in which the number of petitions filed with the Adjustment Board increased by more than 10% over the previous year. These changes are then made to the final tax roll.

Assessed Valuation of Taxable Property

The following table shows the District's assessed and estimated taxable assessed value for Fiscal Years 2015-16 through 2024-25.

**The School District of Lee County, Florida
Assessed and Estimated Actual Value of Taxable Property⁽¹⁾
Last Ten Fiscal Years (Unaudited)
(Dollars in 000's)**

Fiscal Year	Net Taxable Assessed Value	Estimated Actual Value	Net Taxable Assessed Value as a percentage of Actual Value
2016	\$69,129,598	\$87,338,998	79.15%
2017	75,824,369	92,977,574	78.23
2018	81,973,614	105,334,214	77.84
2019	85,875,931	109,528,788	78.41
2020	90,848,155	115,679,732	78.55
2021	96,587,103	121,864,700	79.26
2022	104,783,192	133,042,572	78.76
2023	133,918,480	180,631,333	74.14
2024	145,086,194	204,004,677	71.12
2025 ⁽²⁾	160,476,288	219,486,951	72.97

⁽¹⁾ Certain of the figures in the table above do not match the figures set forth in the Statistical Section of the School Board's Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2025. The difference is due to timing and the figures set forth above represent the final figures and are correct.
⁽²⁾ The final certified Net Taxable Assessed Value for Fiscal Year 2025-26 is \$168,587,649 (in thousands).
 Source: The School District of Lee County, Florida.

Millage Set by Local Governing Body

General. The Constitution of the State of Florida provides that ad valorem taxes shall not be levied in excess of the following millages upon the assessed value of real estate and tangible personal property: for all county purposes, ten mills; for all municipal purposes, ten mills; for all school purposes, ten mills; for water management purposes for

the northwest portion of the state lying west of the line between ranges two and three east, 0.05 mill; for water management purposes for the remaining portions of the State, 1.0 mill; and for all other special districts a millage authorized by law approved by voters. With respect to schools, the millage limitation does not apply to taxes approved at referendum by qualified electors in the County for general obligation bonds and certain other short-term, voter approved levies.

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

Each respective millage rate, except as limited by law, is set on the basis of estimates of revenue needs and the total taxable property valuation within the taxing authority's respective jurisdiction. Ad valorem taxes are not levied in excess of actual budget requirements. State law requires the School Board to adopt and maintain a balanced tentative budget and a balanced final budget, in which anticipated revenues less certain required deductions combined with beginning fund balances equal appropriations. The School Board is required to advertise its intent to adopt a tentative budget, including a capital outlay budget, within 29 days following receipt from the Property Appraiser of the preliminary certification of taxable value. The School Board holds a public hearing on the tentative budget and the proposed tax rates within five days of its advertisement, and officially adopts the tentative budget and tax rates at the hearing. Thereafter, the Property Appraiser prepares tax millage notices for property owners within the District. The final budget and tax rate are fixed in September of each year, following a final public hearing and in accordance with statutory timelines. The Superintendent is responsible for preparing the preliminary and tentative budgets for recommendation to the School Board. Generally, the final budget is substantially the same as the tentative budget since the School Board's hiring plans and materials purchases have been determined before the final Budget is adopted. The School Board adopted the tentative budget for the Fiscal Year 2025-26 on July 29, 2025 and adopted the final budget for the Fiscal Year 2025-26 on September 9, 2025.

As part of the budget process, the District is required to provide advance notice of the purposes for which the District intends to spend budgeted amounts, including those derived from the revenues generated from the Local Option Millage Levy, and to adopt a budget that shows the capital outlay expenditures applicable to each project. For

information regarding the Local Option Millage Levy, see "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS – Local Revenue Sources" herein. The District currently lists in such notice all projects that may begin within the Fiscal Year which are reasonably anticipated to be funded from revenues generated from the estimated Local Option Millage Levy. This listing is provided to allow for public input for all capital outlay projects that are reasonably anticipated to be funded from the revenues.

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

District Millage Rates. The following table shows the millage rates levied by the District and the County for the Fiscal Years 2020-21 through 2025-26:

	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>
Required Local Effort	3.810	3.643	3.309	3.182	3.038	3.071
Discretionary	0.748	0.748	0.748	0.748	0.748	0.748
Total Operating Millage	4.558	4.391	4.057	3.930	3.786	3.819
Capital Outlay	1.500	1.500	1.500	1.500	1.500	1.500
Total Millage	<u>6.058</u>	<u>5.891</u>	<u>5.557</u>	<u>5.430</u>	<u>5.286</u>	<u>5.319</u>

See "OPERATING REVENUES OF THE DISTRICT – Local Sources – Ad Valorem Taxes" and "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS – Local Revenue Sources – Local Option Millage Levy" herein for additional information on the various millages authorized to be levied by the school districts.

Tax Collection and Distribution by Tax Collector

General. All real and tangible personal property taxes are based on assessed values as certified and delivered to the Tax Collector by the Property Appraiser as described above. The Tax Collector mails to each property owner on the tax roll a tax bill for the taxes levied by the various taxing authorities in the County. Taxes may be paid upon

receipt of such bill with discounts at the rate of 4% if paid in the month of November, 3% if paid in the month of December, 2% if paid in the month of January, and 1% if paid in the month of February. Taxes paid during the month of March are without discount. Because of the discount in ad valorem taxes for payments made prior to March 1, taxes collected will likely never be 100% of the tax levy. The Tax Collector is required to distribute the taxes collected to each governmental unit levying the tax. Such distribution is to be made four times during the first two months after the tax roll comes into its possession, and once per month thereafter.

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

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

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

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

property taxes, but in a different manner, which includes the possible seizure of the tangible personal property.

Exemptions from Ad-Valorem Taxation

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

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

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

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

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

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

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

In addition to the general homestead exemption described in this paragraph, the following additional homestead exemptions are authorized by State law.

Certain Active Duty Military and Veterans. A military veteran who was honorably discharged, is a resident of the State, and who is disabled to a degree of 10% or more because of injury while serving during wartime may be entitled to a \$5,000 reduction in the assessed value of his or her property. This exemption is not limited to homestead property. Under certain circumstances, a veteran's surviving spouse may be entitled to carry over these exemptions.

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

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

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

Exemption for Disabled First Responders. First responders who are totally and permanently disabled as a result of injuries sustained in the line of duty receive ad valorem tax relief on their homestead property. The amount of tax relief, to be defined by general law, can equal the total amount or a portion of the ad valorem tax otherwise owed on the homestead property. Florida defines first responders as law enforcement officers, correctional officers, firefighters, emergency medical technicians and paramedics.

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

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

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

Legislation Relating to Ad Valorem Taxation

Recent Amendments Relating to Ad Valorem Taxation. In recent legislative sessions, several legislative proposals and proposed constitutional amendments were passed (and approved by voters in the case of constitutional amendments) affecting ad valorem taxation, including classification of agricultural lands during periods of eradication or quarantine, deleting requirements that conservation easements be renewed annually, providing an additional homestead exemption and/or exemption equal to the just value of real property for income restricted persons age 65 or older who have maintained such property as their permanent residence for at least 25 years, authorizing a first responder who is totally and permanently disabled as a result of injuries sustained in the line of duty to receive relief from ad valorem taxes assessed on homestead property, revising procedures with respect to assessments, hearings and notifications by the value adjustment board, and revising the interest rate on unpaid ad valorem taxes.

Future Amendments Relating to Ad Valorem Taxation. Historically, various legislative proposals and constitutional amendments relating to ad valorem taxation have been introduced in each session of the Florida Legislature. Many of these proposals have provided for new or increased exemptions to ad valorem taxation and limited increases in assessed valuation of certain types of property or otherwise restricted the ability of local governments in the State to levy ad valorem taxes at current levels. On June 2, 2026, the Florida Legislature adopted CS/HJR 1F, which if approved by 60% of the voters in the State participating in the November 2026 general election, would, among other things, amend the Florida Constitution to increase the homestead exemption to \$150,000 as of January 1, 2027 and to \$250,000 as of January 1, 2028 for all property tax levies **other than school district property tax levies. Accordingly, the proposed constitutional amendment, if approved by the voters, is not expected to have an impact on District finances or impair its ability to pay the Basic Lease Payments represented by the Series 2026A Certificates.** There can be no assurance that similar or additional legislative or other proposals will not be introduced or enacted in the future that would have a material adverse effect upon the collection of ad valorem taxes by the District, the District's finances in general or the District's ad valorem taxing power.

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Property Tax Levies and Collections

The following table shows the District's property tax levies and collections for Fiscal Years 2015-16 through 2024-25.

School District of Lee County, Florida Property Tax Levies and Collections Last Ten Fiscal Years (Unaudited)

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2016	\$503,609,120	\$501,939,146	99.67%	\$531,613	\$502,470,759	99.77%
2017	529,936,514	528,409,682	99.71	389,309	528,798,991	99.79
2018	547,501,768	543,773,247	99.32	310,617	544,083,864	99.38
2019	549,691,837	547,876,237	99.67	313,951	548,190,188	99.73
2020	558,443,610	556,913,143	99.73	333,505	557,246,648	99.79
2021	585,124,671	583,983,094	99.80	984,999	584,968,093	99.97
2022	617,277,787	612,177,523	99.17	597,599	612,775,122	99.27
2023	744,184,994	725,445,908	97.48	2,387,703	727,833,611	97.80
2024	787,818,035	790,112,516	100.29	(2,171,347) ⁽¹⁾	787,941,169	100.02
2025	848,277,659	835,962,098	98.55	-	835,962,098	98.55

⁽¹⁾ Reflects credit for overpayment of taxes.

Source: School District of Lee County, Florida Annual Comprehensive Financial Report for Year Ended June 30, 2025.

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Principal Property Taxpayers

The following table contains the list of the District's ten largest taxpayers for 2024 and 2015. No single taxpayer in the District paid more than 1.65% of the total ad valorem taxes levied in Fiscal Year 2023-24.

The School District of Lee County Principal Property Taxpayers 2024 and Nine Years Prior

Name	2024			2015		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
FL Power & Light	\$2,034,809,456	1	1.647%	\$915,695,388	1	1.570%
Lee County Electric Coop	503,420,629	2	0.410	399,259,015	2	0.685
Christian & Missionary Alliance Inc.	212,146,602	3	0.380	198,372,408	3	0.340
LNX 1 Properties LLC	132,536,385	4	0.134	-	-	-
Jamaica Bay Venture III LLC	119,972,136	5	0.123	-	-	-
Comcast of CO FL	12,355,518	6	0.109	-	-	-
Coconut Point Developers LLC	107,873,659	7	0.101	158,470,675	5	0.272
Legacy Gateway 60 LLC	107,017,655	8	0.098	-	-	-
GCTC Holdings LLC	-	-	0.000	97,614,953	6	0.167
Federal National Mortgage	-	-	0.000	83,757,627	9	0.144
Upward America Southeast	95,670,267	9	0.073	-	-	-
TP2-Land-Sub LLC	94,056,864	10	0.071	-	-	-
Embarq Florida, Inc	-	-	-	153,517,761	4	0.263
Miromar Outlet west LLC	-	-	-	120,726,163	7	0.207
Edison Mall Business Trust	-	-	-	74,282,546	8	0.127
Bell Tower Shops LLC	-	-	-	62,724,531	10	0.108
International Capital	-	-	-	-	-	0.000
	<u>\$3,419,859,171</u>		<u>3.146%</u>	<u>\$2,264,421,067</u>		<u>3.883%</u>

Source: School District of Lee County, Florida Annual Comprehensive Financial Report for Year Ended June 30, 2025.

RECENT GOVERNMENTAL ACTIONS AFFECTING DISTRICT REVENUES

General

During recent years, various other legislative proposals and constitutional amendments relating to ad valorem taxation and District revenues have been introduced in the State Legislature. Many of these proposals provide for new or increased exemptions to ad valorem taxation, limit increases in assessed valuation of certain types of property or otherwise restrict the ability of local governments in the State to levy ad valorem taxes at recent, historical levels. Other proposals have sought to restrict the ability of local governments to use certain revenues for payment of debt service, to provide for additional procedures and notices to issue tax-supported debt or require certain local revenues be shared with charter schools in the school district. There can be no assurance that similar

or additional legislative or other proposals will not be introduced or enacted in the future that would, or might apply to, or have a material adverse effect upon, the District or its finances.

Reference is also made to "AD VALOREM TAXATION – Exemptions from Ad Valorem Taxation" and "AD VALOREM TAXATION – Legislation Relating to Ad Valorem Taxation" herein for a discussion of recent amendments to the Florida Constitution and other legislation affecting ad valorem tax revenues.

Constitutional Amendments Related to Class Size Reduction

Amendment 9 to the State Constitution required the State Legislature to provide funding for sufficient classrooms so that class sizes can be reduced to certain constitutional class size maximums by the beginning of the 2010 school year. Amendment 9 and Sections 1003.03 and 1013.735, Florida Statutes, relating to the implementation of Amendment 9 are referred to herein as the "Class Size Legislation."

The Class Size Legislation established constitutional class size maximums limiting students per class to no more than 18 for pre-kindergarten through 3rd grade, 22 for grades 4 through 8 and 25 for grades 9 through 12. Compliance is determined on a period-by-period basis. School districts not in compliance are required to submit to the Commissioner of Education a corrective action plan that describes specific actions the district will take in order to fully comply with the requirements by October of the following year.

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

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

As a result of rapid student enrollment growth in certain areas of the District in combination with teacher shortages, as of the third FEP calculation, the District had 91.67% of its schools in compliance with the Class Size Legislation. The District is diligently working to bring all District schools into compliance. The District did not incur any financial penalties for any non-compliance.

Legislative Changes Relating to School Choice

During the State Legislature's 2016 Regular Session, the Florida Legislature enacted House Bill 7029 ("HB 7029"). Among other things, a parent whose child is not subject to a current expulsion or suspension order may seek enrollment in and transport his or her child to any public school in the State, including a charter school, which has not reached capacity. The school district or charter school shall accept and report the student for purposes of funding through the FEFP. The school district or charter school may provide student transportation at their discretion. HB 7029 requires the capacity determinations of each school district and charter school to be current and identified on their respective school websites. Each school must provide preferential treatment in its controlled open enrollment process to: (1) dependent children of active duty military personnel who moved as a result of military orders, (2) children relocated due to foster care placement in a different school zone, (3) children relocated due to a court ordered change in custody as a result of separation or divorce, or the serious illness or death of a parent, and (4) students residing in the school district. Students residing in the school district may not be displaced by a student from another school district. A student who transfers may remain at the school until the student completes the highest-grade level offered thereby. This amendment took effect in the 2017-18 school year. At present, the impact of these school choice provisions of HB 7029 on the District's finances has been minimal.

House Bill No. 7045 ("HB 7045") was passed during the 2021 Florida legislative session and signed into law by the Governor. HB 7045 merged the State's school choice programs for certain disabled students and expanded eligibility for school voucher programs for low- and middle-income students and students subject to harassment, consolidated existing school-choice programs, increased the amount of State funding for the consolidated school-choice programs to \$200 million and allowed the use of scholarship funds for private school tuition and other expenses such as tutoring, computers, and internet access.

HB 1, which significantly expanded the eligibility criteria of the State's school voucher programs, was signed into law by Florida Governor Ron DeSantis on March 27, 2023. HB 1, among other things, expanded eligibility for the Florida Tax Credit Scholarship Program and the Family Empowerment Scholarship Program to any student that is a resident of Florida and is eligible to enroll in kindergarten through grade 12 in a public school. The Family Empowerment Scholarship Program is divided into three programs, the Family Empowerment Scholarship for students attending private schools (the "FES-EO"), the Family Empowerment Scholarship for students with disabilities (the "FES-UA") and the Hope Scholarship Program. HB 1 significantly increased the number of Florida Tax Credit Scholarships that may be awarded each year, and then removes the limits beginning in 2027-28. HB 1, in combination with House Bill 3C which was signed into law and became effective on November 3, 2023, removed the existing limits on the number of FES-EO scholarships that may be given each year. HB 1 also provided that the

amount of the Family Empowerment Scholarship is equal to 100% of the school district's FEFP funding per student, including most categorical grants. HB 1 authorized uses of scholarship funds include, among other authorized expenses, tuition and fees for a student to attend eligible private schools. HB 1 took effect on July 1, 2023. House Bill 1403 ("HB 1403") was passed during the 2024 regular Florida legislative session and, among other things, expands eligibility for the Florida Tax Credit Scholarship Program and the Family Empowerment Scholarship Program to include the dependent children of active duty members of the United States Armed Forces who meet certain residency requirements, increases the FES-UA cap from three percent to five percent and repeals the scholarship funding portion of the Hope Scholarship Program. HB 1403 took effect on July 1, 2024. The expansion of the school choice programs in the State could potentially lead to a substantial increase in the number of Florida Tax Credit Scholarships and/or Family Empowerment Scholarship recipients. While the District has seen a small percentage of students migrate to private schools or other scholarship eligible programs to date, most scholarship recipients in the District have been students who were already enrolled in private school and would not be expected to enroll in a public school. However, if a significant number of eligible students in the District transition to private schools or other scholarship eligible programs, it is likely to have an adverse impact on the District's finances. The Florida Education Association, the State's largest teachers union, and other plaintiffs recently filed a lawsuit against the Florida Department of Education, among others, challenging the constitutionality of the expansion of the State's scholarship programs and charter school statutory scheme. At this time, the outcome of such lawsuit cannot be determined. See "RISK FACTORS – State Revenues" herein.

Distribution of Capital Outlay Funds to Charter Schools

On May 11, 2023, CS/CS/HB 1259 ("HB 1259") was signed by Florida Governor Ron DeSantis. HB 1259 modifies the provisions of Section 1013.62, Florida Statutes, relating to Local Option Millage Levy revenues that are required to be shared with eligible charter schools in each school district in the State. HB 1259 removes a previously existing State funding threshold for purposes of determining whether Local Option Millage Levy revenues must be shared with eligible charter schools in a school district and establishes a five-year glide path of local sharing of Local Option Millage Levy revenues between each school district in the State and eligible charter schools therein. The calculation methodology set forth in HB 1259 first reduces a school district's available Local Option Millage Levy revenues by the school district's annual debt service for obligations incurred as of March 1, 2017, which are being satisfied by Local Option Millage Levy revenues and which have not been subsequently retired. The remaining Local Option Millage Levy revenues are then divided by the sum of (a) the school district's capital outlay FTE students and (b) the total number of FTE students at eligible charter schools in the school district to determine a capital outlay allocation per FTE student. Next, such capital outlay allocation per FTE student is multiplied by the total number of FTE students at each eligible charter school in the school district to determine a capital outlay allocation for each charter school

in the school district. Next, if applicable, the capital outlay allocation to each charter school is reduced by the total amount of State funds allocated to each charter school in the school district thereby reducing the amount of Local Option Millage Levy revenues required to be shared by the school district. The remaining amount, if any, is the amount the school district must share with eligible charter schools in the school district in such year. However, the legislation provides for a five-year phase in for such amounts so that the amount to be paid by the school district for each year pursuant to the above-described methodology were multiplied by 20% for Fiscal 2023-24, and increase by 20% each year until Fiscal Year 2027-28 at which time it would equal 100% of the amount described in the preceding sentence. HB 1259 took effect on July 1, 2023. For the 2025-26 Fiscal Year, the District shared \$10.4 million in Local Option Millage Levy revenues with eligible charter schools in the District. Such amount is projected to increase to approximately \$27.9 million by Fiscal Year 2030-31. However, the School Board does not expect any reduction in Local Option Millage Levy revenues to adversely impact its ability to make Basic Lease Payments under the Master Lease in future years. See "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS – Local Revenue Sources – Sharing of Local Option Millage Levy with Charter Schools" herein.

Schools of Hope

In addition to requiring school districts to share the Local Option Millage Levy revenue with charter schools, House Bill 7069 ("HB 7069"), as amended by House Bill 7070 in 2019, also establishes the Schools of Hope Program to encourage traditional public schools within the State and charter operators throughout the country to replicate their model and service students from persistently low-performing schools and students who reside in a Florida Opportunity Zone (as defined therein). These provisions of HB 7069, now codified in Section 1002.333, Florida Statutes, provide for the establishment of Schools of Hope, which are charter schools operated by a Hope Operator to service students from one or more persistently low-performing schools; are located within a Florida Opportunity Zone or in the attendance zone of the persistently low-performing school or within a five mile radius of such school, whichever is greater; and is a Title I eligible school. Section 1002.333, Florida Statutes, defines "persistently low-performing schools" as schools that have earned three consecutive school grades below a "C" pursuant to Section 1008.34, Florida Statutes, in at least three of the previous five years and has not earned a school grade of "B" or higher in the most recent two school years, and a school that was closed pursuant to Section 1008.33(4), Florida Statutes within two years of a notice of intent, and defines "Hope Operators" as nonprofit organizations that operate three or more charter schools with a record of serving students from low-income families and receives such designation from the Florida Department of Education. Pursuant to Section 1002.333, Florida Statutes, the statutory requirements for the application, approval, and contract that apply to charter schools do not apply to Schools of Hope; instead, a Hope Operator submits a notice of intent to a school district in order to open a School of Hope

and the school district is required to enter into a performance based agreement with a Hope Operator within 60 days of receiving a notice of intent.

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

On June 30, 2025, Senate Bill 2510 ("SB 2510") was signed into law by the Governor. SB 2510, among other things, modifies the provisions of Section 1002.333, Florida Statutes, relating to the requirements for the establishment of Schools of Hope including adding provisions allowing a school of hope to be located outside of a Florida Opportunity Zone or the attendance zone of the persistently low-performing school under certain circumstances, allowing a Hope Operator seeking to open a school of hope to submit an application to a state university or a Florida College System institution and enter an agreement with such state university or Florida College System institution, and allowing a school of hope to co-locate with another school in a public school facility. The school district must permit any school of hope to use all or part of underused, vacant, or surplus school district facilities, and receive facility-related services, pursuant to State Board of Education rule. Students enrolled in the school of hope shall be included in the district's total capital outlay full-time equivalent membership for the purpose of Section 1013.62, Florida Statutes, and for calculating the Public Education Capital Outlay Maintenance funds or any other maintenance funds for the facility. Notwithstanding the foregoing, on February 20, 2026, the Florida Department of Education adopted amendments to its rules relating to a Hope Operator seeking to use all or a part of underused, vacant or surplus school district facilities. The amended rule provides, among other things, that a facility is eligible for use by a Hope Operator if its facility utilization rate is no more than 75% or there is a surplus of at least 400 student stations at the facility, and prohibits Hope Operators from using facilities that were opened within the prior four years. The amended rule also provides that a Hope Operator may not submit more than five notices for use of underused, vacant or surplus facilities within a 12-month period, and provides that a Mutual Management Plan between the school district and the Hope Operator will set forth any

incremental costs to be paid by the Hope Operator in connection with the use of such facility.

To date, the District has received multiple notices from State-approved Schools of Hope operators seeking to use underused, vacant or surplus District facilities. None of the identified facilities are subject to the Master Lease Program. The District has denied all of these notices, citing material impracticability regarding the proposed use of the facilities. At this time, the District is unable to estimate the financial or operational impacts of any potential Schools of Hope co-location within District facilities. The District has seven schools identified as "persistently low-performing schools" under Section 1002.333, Florida Statutes.

Public Safety Mandate

In 2018, the Florida Legislature passed Senate Bill 7026 ("SB 7026") which, among other things, includes provisions designed to: enhance school safety policies, procedures, and personnel at the State and local level; improve and expand mental health services; and revise laws and empower law enforcement and the courts to limit access to firearms by young adults or by individuals exhibiting a risk of harming themselves or others. Specifically, SB 7026 requires each school board and superintendent to partner with law enforcement agencies to establish or assign one or more safe-school officers at each school facility within the district by implementing any combination of the following options: (a) establish school resource officer programs through cooperative agreements with law enforcement agencies; (b) commission one or more school safety officers for the protection and safety of school personnel, property, and students within the school district; (c) at a school district's discretion, and if established by the sheriff's office, participate in the Guardian Program, which allows certain school employees (but not employees who exclusively perform classroom duties as classroom teachers) to carry a firearm on school grounds if such employee volunteers and completes the statutorily required training. During the 2019 Legislative session, the State Legislature passed CS/CS/SB 7030 ("SB 7030") which among other things, removes the prohibition on individuals who perform exclusively classroom duties as a teacher from participating in the guardian program. The Governor of Florida signed SB 7030 into law. However, the decision to allow teachers to be armed guardians remains with each individual school board. On April 23, 2019, the Board unanimously voted against arming teachers in the District. The Board has entered into contracts with the Lee County Sheriff's Office, Cape Coral Police Department and the City of Fort Myers Police Department to provide school resource officers at each District operated public school. The estimated cost to the District for such contracted services for Fiscal Year 2024-25 was approximately \$9.0 million and is budgeted to be approximately \$9.5 million for Fiscal Year 2025-26.

The District implemented a mobile panic system called Centegix. This system allows schools to notify first responders immediately in the event of an active assailant

incident. In support of this system, the District has also implemented procedures to quickly inform parents of credible threats, unlawful acts, and emergencies as they may arise.

RISK FACTORS

A PURCHASER OF THE SERIES 2026A CERTIFICATES IS SUBJECT TO CERTAIN RISKS. EACH PROSPECTIVE INVESTOR IN THE SERIES 2026A CERTIFICATES IS ENCOURAGED TO READ THIS OFFERING STATEMENT IN ITS ENTIRETY. PARTICULAR ATTENTION SHOULD BE GIVEN TO THE FACTORS DESCRIBED BELOW WHICH, AMONG OTHERS, COULD AFFECT THE MARKET PRICE OF THE SERIES 2026A CERTIFICATES TO AN EXTENT THAT CANNOT BE DETERMINED.

Annual Right of the School Board to Terminate the Leases

Although the School Board has determined that the Series 2016A Facility presently is necessary to its operations and currently intends to continue the Series 2016A Lease for the maximum Lease Term (which includes all Renewal Terms under such Lease), and has covenanted in the Series 2016A Lease that the Superintendent will include a sufficient amount in the tentative budget to enable the School Board to make all Lease Payments in each Fiscal Year, the School Board is not required to appropriate funds for Basic Lease Payments. If for any Fiscal Year the School Board does not approve a tentative Budget and a final Budget which appropriates sufficient funds from legally available revenues in a line item specifically identified for payment of its obligations under the Master Lease, all Leases shall terminate as of the last day of the then current Fiscal Year for which moneys have been budgeted and appropriated, and the School Board will not be obligated to make Lease Payments accruing or arising thereafter.

Upon termination of the Master Lease in the event of a non-appropriation of funds or certain events of default, the School Board is required to immediately surrender and deliver possession of all the Facilities financed under all Leases to the Trustee. Based on the District's full-time equivalent enrollment of approximately 86,108 students (excluding charter school students and Family Empowerment Scholarship students) for Fiscal Year 2025-26, approximately 35% of the District's students attended classes in, or otherwise utilized, the Facilities leased under the Master Lease during the Fiscal Year ended June 30, 2025. See "THE LEASES - Effect of Termination for Non-Appropriation or Default" herein.

THE LIKELIHOOD THAT THE MASTER LEASE WILL BE TERMINATED AS THE RESULT OF AN EVENT OF NON-APPROPRIATION IS DEPENDENT UPON CERTAIN FACTORS THAT ARE BEYOND THE CONTROL OF CERTIFICATE HOLDERS, INCLUDING THE CONTINUING FUTURE UTILITY OF THE SERIES

2016A FACILITY AND OTHER FACILITIES TO THE SCHOOL BOARD AND CHANGES IN POPULATION OR DEMOGRAPHICS WITHIN THE COUNTY.

Limitation Upon Disposition; Ability to Sell or Relet

Following certain events of default under the Leases or a non-appropriation of funds, the Trustee, as assignee of the Corporation may take possession of the Facilities and sell or re-let its interest therein. The Trustee's ability to actually achieve such a disposition of such Facilities and to pay the corresponding Series of Certificates is limited by its inability to convey fee simple title to such Facilities and the governmental nature of such Facilities. Further, it is not certain whether a court would permit the exercise of the remedies to sell, relet or dispose of such Facilities because of the essential governmental nature thereof. There can be no assurance that the remedies available to the Trustee upon any such termination of the Lease Term of all Leases and the disposition of such Facilities will produce sufficient amounts to make timely payments of the principal and interest portions due on the Prior Certificates and the Series 2026A Certificates. See "THE LEASES - Effect of Termination for Non-Appropriation or Default" herein.

Tax Treatment

Upon termination of the Master Lease, there is no assurance that payments made by the Trustee with respect to the Series 2026A Certificates and designated as interest will be excludable from gross income for federal income tax purposes. See "TAX TREATMENT" herein for additional risk factors regarding the tax treatment of interest represented by the Series 2026A Certificates.

Applicability of Securities Laws

After termination of the Master Lease, the transfer of the Series 2026A Certificates may be subject to or conditioned upon compliance with the registration provisions of applicable federal and state securities laws. Accordingly, there is no assurance that liquidity of the Series 2026A Certificates (and, consequently, the market price thereof) will not be impaired following termination of the Master Lease.

Local Option Millage Revenue

The amount which can be realized by the District derived from the Local Option Millage Levy can be affected by a variety of factors not within the control of the District or the School Board including, without limitation, fluctuations in the level of the assessed valuation of property within the District. See "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS" herein. Moreover, the School Board is not legally required to impose the Local Option Millage Levy. See "SECURITY FOR THE SERIES 2026A CERTIFICATES – Limited Obligation of the School Board" and "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS – Local Sources" herein.

The maximum Local Option Millage Levy is also subject to change pursuant to changes in applicable law and is subject to sharing with charter schools in the District. See "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS – Local Sources" herein and "RECENT GOVERNMENTAL ACTIONS AFFECTING DISTRICT REVENUES – Distribution of Capital Outlay Funds to Charter Schools" herein for information regarding legislation that requires the School Board to share Local Option Millage Levy revenues with charter schools in the District.

Fluctuations in Discretionary Sales Surtax Revenues

The amount of Discretionary Sales Surtax revenues distributed to the School Board is subject to increase or decrease due to various factors which may be beyond the control of the School Board or the Certificate holders and which may have a material adverse impact on the amount of Discretionary Sales Surtax revenues distributed to the District. Such factors include: (i) increases or decreases in the dollar volume of sales within the County subject to the Discretionary Sales Surtax and (ii) legislative changes relating to the Discretionary Sales Surtax, which may include changes in the scope of taxable sales. Additionally see "LITIGATION" herein for information regarding a lawsuit filed by the operator of six charter schools in the County to require the District to share Discretionary Sales Surtax revenues with those charter schools in the District.

On June 21, 2018, the United States Supreme Court in *South Dakota v. Wayfair, Inc., et al.* held that states can require retailers to collect sales tax on internet sales regardless of whether they maintain a physical presence in the state. In that particular case, the South Dakota legislation required the collection of sales tax by out-of-state retailers with \$100,000 or more in sales or 200 or more individual transactions in South Dakota in a year. During the 2021 Florida Legislative Session, legislation was enacted and took effect on July 1, 2021, requiring the collection and remittance of sales tax by out-of-state retailers.

In addition, the amount of Discretionary Sales Surtax revenues distributed to the School Board may be negatively impacted by general economic and other conditions, including, but not limited to, changes in population, changes in the price of taxable sales and uses, global conflicts, economic recession, terrorist attacks, pandemics or active hurricane seasons in Florida. Such events are unpredictable and may affect the collection of the Discretionary Sales Surtax, which in turn may impact the District's receipt of Discretionary Sales Surtax revenues. See also, "– State Revenues" and "– Coronavirus (COVID-19)" below.

Educational Impact Fees

The educational impact fees are subject to revision and repeal by the Board of County Commissioners of the County. Further, various bills have been introduced in the Florida Legislature over the past several years that would eliminate the ability of certain

governmental entities, including the County or the District, to levy impact fees for the construction or remodeling of educational facilities or restrict the ability of local governments to raise impact fees above certain percentages in a given year. To date, such bills have not been passed. However, there can be no assurance that legislation will not be introduced and enacted in the current or future legislative sessions that restricts, or eliminates, the District's ability to receive such impact fees.

State Revenues

A large portion of the District's funding is derived from State sources. See "DISTRICT REVENUES - State Revenue Sources." A significantly large percentage of such State revenues is generated from the levy of the State sales tax. The amounts budgeted for distribution from the State to the District are subject to change in the event that projected revenues are not realized, particularly in light of the economic downturn in the State as a result of the coronavirus pandemic. See "- Coronavirus (COVID-19)" below.

On June 30, 2025, Governor DeSantis approved the State education budget for State Fiscal Year 2025-26, which commenced July 1, 2025, providing for an approximately \$945 million or 3.31% increase in State and local FEFP funding for K-12 public schools over State Fiscal Year 2024-2025, reflecting a per-pupil increase of approximately \$143 per student or 1.59% over Fiscal Year 2024-2025. The adopted education budget allocates approximately \$3.8 billion for funding of the State's expanded voucher/scholarship programs pursuant to HB 1 as part of State FEFP funding. See "RECENT GOVERNMENT ACTIONS AND OTHER EVENTS AFFECTING DISTRICT REVENUES – Legislative Changes Relating to School Choice" herein. However, such funds will be withheld from each school district's FEFP distributions based on the forecasted scholarship students for each school district. For the District, the estimated amount to be withheld is approximately \$95.6 million. Based upon the third FEFP calculation, the estimated increase for the District is approximately \$40.4 million (inclusive of charter school students and voucher/scholarship students) in State and local FEFP funds over Fiscal Year 2024-2025. However, there can be no assurance that funding for K-12 public schools will increase exactly as provided for in the approved budget.

On June 29, 2026, Florida Governor Ron DeSantis approved the State education budget for State Fiscal Year 2026-27, which commences July 1, 2026, providing for an approximately \$735 million or 2.51% increase in State and local FEFP funding for K-12 public schools over State Fiscal Year 2025-2026, reflecting a per-pupil increase of approximately \$150 per student or 1.64% over Fiscal Year 2025-2026. The approved education budget allocates approximately \$4.5 billion for funding of the State's expanded voucher/scholarship programs as part of State FEFP funding. See "RECENT GOVERNMENTAL ACTIONS AFFECTING DISTRICT REVENUES – Legislative Changes Relating to School Choice" herein. However, such funds will be withheld from each school district's FEFP distributions based on the forecasted scholarship students for each school district. For the District, the estimated amount to be withheld is approximately

\$110.6 million. Based upon the approved budget, the estimated increase for the District is approximately \$38.0 million (inclusive of charter school students and voucher/scholarship students) in State and local FEFP funds over Fiscal Year 2025-2026. However, there can be no assurance that funding for K-12 public schools will increase exactly as provided for in the approved budget.

Additional Indebtedness

The School Board may issue additional indebtedness from time to time other than in connection with the Master Lease secured by or payable from revenues which would otherwise be available to make Lease Payments without the consent of the Certificate Holders. The incurrence of such additional indebtedness by the School Board may adversely affect the School Board's ability to make Basic Lease Payments under the Leases.

Legislative Changes

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

Climate Change

Numerous scientific studies on climate change show that, among other effects on the global ecosystem, sea levels may rise, extreme temperatures may become more common, and extreme weather events may become more frequent as a result of increasing global temperatures attributable to atmospheric pollution. Sea levels may continue to rise in the future due to the increasing temperature of the oceans causing thermal expansion and growing ocean volume from glaciers and ice caps melting into the ocean. Coastal areas like the District are at risk of substantial flood damage over time, affecting private development and public infrastructure, including roads, utilities, emergency services, schools, and parks. As a result, the District could lose considerable tax revenues and many residents, businesses, and governmental operations along the waterfront could be displaced. However, the District is unable to predict whether sea level rise or other impacts of climate change or flooding from a major storm will occur, when they may occur, and if any such events occur, whether, they will have a material adverse effect on the business

operations or financial condition of the District. Additionally, climate change concerns have led, and may continue to lead, to new laws and regulations at the federal and State levels (including but not limited to air, water, hazardous substances and waste regulations) that could have a material adverse effect on the operations and/or financial condition of the District.

Natural Disasters

The State is naturally susceptible to the effects of extreme weather events and natural disasters including floods, droughts, tornadoes and hurricanes, which could result in negative economic impacts on communities including the District. Such effects can be exacerbated by a longer term shift in the climate over several decades (commonly referred to as climate change as described in the preceding paragraph), including increasing global temperatures and rising sea levels. The occurrence of such extreme weather events could damage local infrastructure that provides essential services to the District. The economic impacts resulting from such extreme weather events could include a loss of revenue, interruption of service, and escalated recovery costs.

Impacts of Recent Hurricanes

On September 28, 2022, Hurricane Ian struck the County as a Category 4 storm causing catastrophic damage to real property in the County, including District-owned schools. However, none of the Projects under the Master Lease suffered significant damage. The District estimates costs from Hurricane Ian to be approximately \$271 million, with approximately \$1.2 million of that being shelter costs which have been reimbursed by the County. At the time of Hurricane Ian's impact, the School Board's primary property insurance policy provided \$75 million of named windstorm coverage. The deductible for the hurricane (i.e., named windstorm) was 5% of the total insured value of each damaged building. The current deductible estimate totals \$34.9 million. The District also has coverage for flooding through the National Flood Insurance Program ("NFIP"). The District received approximately \$5.7 million in reimbursement from NFIP. The School Board anticipates seeking reimbursement for all costs not covered by insurance from the Federal Emergency Management Agency ("FEMA"), including both federal and State reimbursement payments. The District currently expects costs not covered by insurance, FEMA reimbursements or other sources to be approximately \$74.1 million, although the District did receive some State grants which would reduce such amount. Notwithstanding the foregoing, the District does not expect any adverse material impact on its ability to make Basic Lease Payments under the Master Lease as a result of the storm.

On October 9, 2024, Hurricane Milton struck the County causing damage to two of the District's coastal schools. Currently, students in one of the coastal schools are being housed in a neighboring school until a decision on how to proceed with the school is made.

Property Insurance

Principally, as a result of the substantial property damage caused by hurricanes and other storms in Florida and other parts of the United States over the last decade, property insurance premiums have risen dramatically for Florida property owners. The School Board and Corporation entered into the Amendment to Master Lease which allows the amount of property insurance required to be maintained under the Master Lease to be determined annually by the Superintendent, in consultation with the Risk Management and Internal Compliance Department of the School Board. Such provision provides that the School Board shall consider the recommendation of the Superintendent so long as the recommended insurance is available at commercially reasonable costs and otherwise satisfies the requirements of the Master Lease. The School Board is also required to maintain eligibility for assistance by FEMA. See "APPENDIX C – LEGAL DOCUMENTS – Amendment to Master Lease-Purchase Agreement" hereto. The District's current property and casualty coverage limits are \$100 million in coverage for a named windstorm, subject to a 5% deductible, subject to a minimum of \$250,000 per named windstorm, and \$125 million in coverage for all other perils, subject to a \$250,000 deductible for the policy year ending August 1, 2026. In the event the District suffers substantial damage to its property that is not covered by its current insurance or it is not eligible for federal reimbursement, the District's financial condition could be adversely impacted. However, in such unlikely event, the District's financial condition could be adversely impacted and Facilities subject to the Master Lease may not be replaced or repaired adequately.

Coronavirus (COVID-19)

The Novel Coronavirus 2019 ("COVID-19") pandemic, along with various governmental measures taken to protect public health in light of the pandemic, adversely affected the School Board's financial results and resulted in a federally declared "national emergency." The School Board received various disaster relief funds since March 2020, including pursuant to the Coronavirus Aid, Relief and Economic Security Act, which contained the Education Stabilization Fund; the Coronavirus Response and Relief Supplemental Appropriations Act, which included a second Education Stabilization Fund; and The American Rescue Plan Act of 2021. The District received approximately \$319.5 million in federal funds under such federal programs, collectively, however many of such funds were required to be shared with charter schools and private schools in the County.

COVID-19 is ever evolving and the potential for future resurgence of COVID-19 or other virus at a pandemic level is unknown and, should there be a future resurgence of the pandemic or another pandemic, the School Board cannot predict with certainty the impacts of such an outbreak on the School Board's future operations, revenues or expenses.

Cybersecurity

Computer networks and systems used for information transmission and collection are vital to the efficient operations of the District. District systems provide support to departmental operations and District services by collecting and storing sensitive information, including intellectual property, security information, proprietary business process information, information regarding suppliers and business partners, and personally identifiable information of students and employees (collectively, "Computer Information"). The secure processing, maintenance and transmission of Computer Information is critical to effective departmental operations and the appropriate provision of services. Increasingly, governmental entities are being targeted by cyber-attacks seeking to obtain Computer Information or disrupt critical services. A rapidly changing cyber risk landscape may introduce new vulnerabilities that attackers and hackers can exploit in their efforts to effect breaches or service disruptions. Employee error and/or malfeasance may also contribute to a loss of Computer Information or other system disruptions. The District has a multilayered information security program that meets guidelines established by the National Institute of Standards and Technology. There are established policies and procedures which include Acceptable Usage Policies and Information Security Guidelines. The District also maintains cyber risk insurance to help mitigate its exposure to security attacks that are known to cripple an organization's technology system and/or fraudulently confiscate funds.

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

LITIGATION

There are no actions or proceedings pending against the School Board or affecting the School Board or, to the knowledge of the School Board, threatened, which, either in any case or in the aggregate, that are not fully covered by insurance or established reserves or that might result in any material adverse change in the condition of the District, financial

or otherwise, or which question the validity of the Series 2026A Certificates or of any action taken or to be taken in connection with the transactions contemplated thereby.

On June 27, 2024, a lawsuit (*Southwest Charter Foundation v. The School Board of Lee County, Florida*, Circuit Court Case No. 24-CA-004665) was filed against the School Board by the operator of multiple charter schools within the County alleging breach of contract in connection with Discretionary Sales Surtax revenues with the charter schools seeking an alleged proportionate share of revenues from such Discretionary Sales Surtax based on full-time equivalent student enrollment. The lawsuit has been settled and the case has been dismissed. The terms of the settlement included, among other things, (1) a capital contribution of \$19 million towards a new charter school to be located on District property that will be leased to the Southwest Charter Foundation for annual rent of \$10 per year, (2) an additional \$12 million payment to Southwest Charter Foundation for capital purposes and (3) agreement to provide Southwest Charter Foundation its proportional share of Sales Surtax Revenues, commencing January 2026 until expiration of the Sales Surtax.

The School Board is involved in certain other litigation and disputes incidental to its operations. Upon the basis of information presently available, the School Board Attorney believes that there are substantial defenses to such litigation and disputes and that, in any event, any ultimate liability, in excess of applicable insurance coverage, resulting therefrom will not materially adversely affect the financial position or results of operations of the District, or the School Board and its ability to make Lease Payments.

RATING

Moody's Ratings ("Moody's") has assigned a rating of "Aa3" (stable outlook) to the Series 2026A Certificates. The rating and outlook reflect only the views of said rating agency and an explanation concerning the significance of such rating and outlook may be obtained only from said rating agency. Certain information and materials concerning the Series 2026A Certificates, the School Board and the District were furnished to Moody's by the School Board. If in the judgment of either, circumstances so warrant, Moody's may raise, lower or withdraw its rating or outlook. If a downward change or withdrawal occurs, it could have an adverse effect on the resale price of the Series 2026A Certificates. An explanation concerning the significance of the rating and outlook given by Moody's may be obtained from Moody's at 7 World Trade Center, 250 Greenwich Street, 23rd Floor, New York, New York 10007, (212) 553-0300.

TAX TREATMENT

General. The Internal Revenue Code of 1986, as amended (the "Code"), includes requirements which the School Board must continue to meet after the issuance of the Series 2026A Certificates in order that the interest portion of the Basic Lease Payments

represented by the Series 2026A Certificates be and remain excludable from gross income of the holders thereof for Federal income tax purposes. The School Board's failure to meet these requirements may cause the interest portion of the Basic Lease Payments designated and paid as interest to the Series 2026A Certificate holders to be included in gross income for Federal income tax purposes retroactively to the date of execution and delivery of the Series 2026A Certificates. The School Board has covenanted to take the actions required by the Code in order to maintain the excludability from gross income for Federal income tax purposes of the interest portion of the Basic Lease Payments designated and paid as interest to the Series 2026A Certificate holders and not to take any actions that would adversely affect that excludability.

In the opinion of Special Tax Counsel, assuming continuing compliance by the School Board with the tax covenants referred to above and the accuracy of certain representations of the School Board, under existing statutes, regulations, rulings and court decisions, the interest portion of the Basic Lease Payments represented by the Series 2026A Certificates will be excludable from gross income for Federal income tax purposes; and, further, the interest portion of the Basic Lease Payments represented by the Series 2026A Certificates will not be an item of tax preference for purposes of the Federal alternative minimum tax imposed on individuals. In the case of the alternative minimum tax imposed by Section 55(b)(2) of the Code on applicable corporations (as defined in Section 59(k) of the Code), the portion of the Basic Lease Payments designated and paid as interest to the owners of the Series 2026A Certificates is not excluded from the determination of adjusted financial statement income. No opinion is expressed with respect to the Federal income tax consequences of any payments received with respect to the Series 2026A Certificates following termination of the Master Lease as a result of non-appropriation of funds or the occurrence of an event of default thereunder. Special Tax Counsel expects to deliver opinions at the time of issuance of the Series 2026A Certificates substantially in the form set forth in Appendix D.

Special Tax Counsel is further of the opinion that the Series 2026A Certificates and the portion of the Basic Lease Payments designated and paid as interest to the owners of the Series 2026A Certificates will not be subject to taxation under the laws of the State of Florida, except as to estate taxes and taxes under Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations as defined therein; provided, however, that no opinion is expressed with respect to tax consequences under the laws of the State of Florida of any payments received with respect to the Series 2026A Certificates following termination of the Master Lease as a result of non-appropriation of funds or the occurrence of an event of default thereunder.

Except as described above, Special Tax Counsel will express no opinion regarding the Federal or State income tax consequences resulting from the receipt or accrual of the interest portion of the Basic Lease Payments designated and paid as interest to the Series 2026A Certificate holders or the ownership or disposition of the Series 2026A Certificates.

Prospective purchasers of Series 2026A Certificates should be aware that the ownership of Series 2026A Certificates may result in other collateral Federal tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry Series 2026A Certificates or, in the case of a financial institution, that portion of the owner's interest expense allocable to the interest portion of the Basic Lease Payments represented by the Series 2026A Certificates, (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by the applicable statutory percentage of certain items, including the interest portion of the Basic Lease Payments represented by the Series 2026A Certificates, (iii) the inclusion of the interest portion of the Basic Lease Payments represented by the Series 2026A Certificates in the earnings of certain foreign corporations doing business in the United States for purposes of a branch profits tax, (iv) the inclusion of the interest portion of the Basic Lease Payments represented by the Series 2026A Certificates in the passive income subject to Federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year and (v) the inclusion by recipients of certain Social Security and Railroad Retirement benefits of receipts and accrual of the interest portion of the Basic Lease Payments represented by the Series 2026A Certificates in determining whether a portion of such benefits are included in gross income for Federal income tax purposes. Prospective purchasers of Series 2026A Certificates should consult their own tax advisors as to the impact of these other tax consequences and as to the status of interest on the Series 2026A Certificates under the tax laws of any state other than the State of Florida.

Special Tax Counsel's opinion is based on existing law, which is subject to change. Such opinion is further based on factual representations made to Special Tax Counsel as of the date hereof. Special Tax Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may thereafter come to Special Tax Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Special Tax Counsel's opinions are not a guarantee of a particular result, and are not binding on the IRS or the courts; rather, such opinions represent Special Tax Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

Original Issue Discount and Premium. Certain of the Series 2026A Certificates ("Discount Certificates") may be offered and sold to the public at an original issue discount ("OID"). OID is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of a Discount Certificate determined under Code Section 1273 or 1274 (i.e., for obligations issued for money in a public offering, the initial offering price to the public (other than to bond houses and brokers) at which a substantial amount of the obligation of the same maturity is sold pursuant to that offering). For federal income tax purposes, OID accrues to the owner of a Discount Certificate over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Certificate (i) is interest excludable from the owner's

gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Series 2026A Certificates, and (ii) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that Discount Certificate.

Certain of the Series 2026A Certificates ("Premium Certificates") may be offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity. That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Certificate, based on the yield to maturity of that Premium Certificate (or, in the case of a Premium Certificate callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Certificate), compounded semiannually (or over a shorter permitted compounding interval selected by the owner). No portion of that bond premium is deductible by the owner of a Premium Certificate. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Certificate, the owner's tax basis in the Premium Certificate is reduced by the amount of bond premium that accrues during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Certificate for an amount equal to or less than the amount paid by the owner for that Premium Certificate.

Owners of Discount and Premium Certificates should consult their own tax advisers as to the determination for federal income tax purposes of the amount of OID or bond premium properly accruable in any period with respect to the Discount or Premium Certificates and as to other federal tax consequences and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.

Possibility of Future Changes in Tax Law. From time to time, there are legislative proposals suggested, debated, introduced or pending in Congress or in the State legislature that, if enacted into law, could alter or amend one or more of the federal tax matters, or state tax matters, respectively, described above, including, without limitation, the excludability from gross income of interest on the Series 2026A Certificates, adversely affect the market price or marketability of the Series 2026A Certificates, or otherwise prevent the holders from realizing the full current benefit of the status of the interest thereon. It cannot be predicted whether or in what form any such proposal may be enacted, or whether, if enacted, any such proposal would apply to the Series 2026A Certificates. If enacted into law, such legislative proposals could affect the market price or marketability of the Series 2026A Certificates. Prospective purchasers of the Series 2026A Certificates should consult their tax advisors as to the impact of any proposed or pending legislation.

Information Reporting and Backup Withholding. Interest paid on tax-exempt bonds such as the Series 2026A Certificates is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting

requirement does not affect the excludability of interest on the Series 2026A Certificates from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Series 2026A Certificates, under certain circumstances, to "backup withholding" at the rates set forth in the Code, with respect to payments on the Series 2026A Certificates and proceeds from the sale of Series 2026A Certificates. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Series 2026A Certificates. This withholding generally applies if the owner of Series 2026A Certificates (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Series 2026A Certificates may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

CERTAIN LEGAL MATTERS

Certain legal matters in connection with the authorization, execution, delivery and sale of the Series 2026A Certificates are subject to the approving legal opinion of Greenberg Traurig, P.A., Miami, Florida, Special Tax Counsel, whose approving opinion (the form of which is attached hereto as APPENDIX D) will be available at the time of delivery of the Series 2026A Certificates. Certain legal matters will be passed on for the School Board by its School Board Attorney, Robert Dodig, Esq. and by Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Disclosure Counsel. Bryant Miller Olive P.A., Tampa, Florida, is serving as Counsel to the Underwriter.

Special Tax Counsel's opinion is based on existing law, which is subject to change. Such opinion is further based on factual representations made to Special Tax Counsel as of the date thereof. Special Tax Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may thereafter come to Special Tax Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Special Tax Counsel's opinion is not a guarantee of a particular result, and is not binding on the Internal Revenue Service or the courts; rather, such opinion represents Special Tax Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

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UNDERWRITING

The Series 2026A Certificates are being purchased by Raymond James & Associates, Inc. (the "Underwriter"), at a price of \$_____ (which represents the principal amount of the Series 2026A Certificates of \$_____ plus/less net original issue premium/discount of \$_____ and less an Underwriter's Discount of \$_____). The Underwriter's obligations are subject to certain conditions precedent, and the Underwriter will be obligated to purchase all of the Series 2026A Certificates, if any Series 2026A Certificates are purchased. The Series 2026A Certificates may be offered and sold to certain dealers (including dealers depositing such Series 2026A Certificates into investment trusts) at prices lower than such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriter.

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

VERIFICATION OF MATHEMATICAL COMPUTATIONS

The accuracy of the arithmetic computations showing the adequacy of the portion of the proceeds of the Series 2026A Certificates, together with other funds available for that purpose, to pay the principal portion and interest portion of the Basic Lease Payments on the Refunded Certificates, as described under "THE PLAN OF REFUNDING," have been verified by Causey Public Finance, LLC, Denver, Colorado, independent certified public accountants.

MUNICIPAL ADVISOR

Ford & Associates, Inc., Tampa, Florida, is serving as Municipal Advisor to the School Board. The Municipal Advisor assisted in matters relating to the planning, structuring, execution and delivery of the Series 2026A Certificates and provided other advice. The Municipal Advisor did not engage in any underwriting activities with regard to the sale of the Series 2026A Certificates.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

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

FORWARD LOOKING STATEMENTS

This Offering Statement contains certain "forward-looking statements" concerning the School Board's or the District's operations, performance and financial condition, including its future economic performance, plans and objectives and the likelihood of success in developing and expanding. These statements are based upon a number of assumptions and estimates which are subject to significant uncertainties, many of which are beyond the control of the School Board or District. The words "may," "would," "could," "will," "expect," "budget," "anticipate," "believe," "intend," "plan," "estimate" and similar expressions are meant to identify these forward-looking statements. Actual results may differ materially from those expressed or implied by these forward-looking statements.

FINANCIAL STATEMENTS

Excerpted pages from the Annual Comprehensive Financial Report of the School Board for the Fiscal Year ended June 30, 2025 included in this Offering Statement as APPENDIX B hereto have been audited by Forvis Mazars, LLP, certified public accountants, as stated in their report appearing in APPENDIX B. Such financial statements, including the report of Forvis Mazars, LLP, have been included in this Offering Statement as public documents and the consent from Forvis Mazars, LLP was not requested. Forvis Mazars, LLP has not performed any services in connection with the issuance of the Series 2026A Certificates and has not reviewed any of the information contained in this Offering Statement.

Budgeted figures for the Fiscal Year 2025-26 set forth in this Offering Statement reflect the final budget adopted by the School Board on September 9, 2025. The School Board may amend its budget from time to time in accordance with applicable law.

CONTINUING DISCLOSURE

The School Board has covenanted and undertaken for the benefit of the Series 2026A Certificate Holders to provide certain financial information and operating data relating to the District and the Series 2026A Certificates in each year (the "Annual

Report"), and to provide notices of the occurrence of certain enumerated events. Such covenant shall only apply so long as the Series 2026A Certificates remain Outstanding and the Series 2016A Lease has not been terminated or there has occurred a non-appropriation of funds resulting in a termination. The agreement shall also terminate upon the termination of the continuing disclosure requirements of SEC Rule 15c2-12(b)(5) (the "Rule") by legislative, judicial or administrative action. The Annual Report will be filed by the School Board with the Municipal Securities Rulemaking Board (the "MSRB") via its Electronic Municipal Market Access system described in the Form of Disclosure Dissemination Agent Agreement attached hereto as APPENDIX E. The notices of material events will be filed by the School Board with the MSRB. The specific nature of the information to be contained in the Annual Report and the notices of material events are described in "APPENDIX E - FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT" dated and delivered at the time of issuance of the Series 2026A Certificates. These undertakings have been made in order to assist the Underwriter in complying with the Rule.

With respect to the Series 2026A Certificates, no party other than the School Board is obligated to provide, nor is expected to provide, any continuing disclosure information with respect to the aforementioned Rule. The School Board fully expects to comply with its obligations under the Rule in the future.

MISCELLANEOUS

The information contained herein is neither guaranteed as to accuracy or completeness nor to be construed as a representation by the Underwriter. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Offering Statement nor any sale made hereunder is to create, under any circumstances, any implication that there has been no change in the affairs of the District or the School Board from the date hereof.

This Offering Statement is submitted in connection with the sale of the securities referred to herein and may not be reproduced or used, as a whole or in part, for any other purpose. Any statements in this Offering Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Offering Statement is not to be construed as a contract or agreement between the District or School Board and the purchasers or the holder of any of the Series 2026A Certificates.

The references, excerpts, and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Series 2026A Certificates, the security for the payment of the Series 2026A Certificates and the rights and obligations of the owners thereof.

Any statements made in this Offering Statement involving matters of opinion or of estimates, whether or not so expressly stated are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Offering Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the owners of the Series 2026A Certificates.

The Appendices hereto are integral parts of this Offering Statement and must be read in their entirety together with all foregoing statements.

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

By: _____
Chair

By: _____
Superintendent of Schools and Secretary to
the School Board

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APPENDIX A

GENERAL INFORMATION REGARDING LEE COUNTY, FLORIDA

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GENERAL INFORMATION REGARDING LEE COUNTY, FLORIDA

General

Lee County, Florida (the "County") was founded in 1887 and named in honor of General Robert E. Lee. The County is located on the Gulf of Mexico in the southwestern portion of Florida and encompasses approximately 811 square miles, including several small islands in the Gulf of Mexico. The County is the most populous of the five counties that make up Southwest Florida. The incorporated cities, towns, and villages include Fort Myers (the County seat), Cape Coral, Estero, Bonita Springs, Fort Myers Beach and Sanibel. The Town of Fort Myers Beach is located on Estero Island and the City of Sanibel is situated on Sanibel Island. The unincorporated communities include Lehigh Acres, North Fort Myers, Tice, Alva, Matlacha, Pine Island and Captiva Island. The County's climate can be classified as subtropical with temperatures averaging 53° low to 74°F high in January and 75° low to 91°F high in August.

Governmental Structure

The County has a non-charter government structure established by the State of Florida Constitution. The Board of County Commissioners (the "Board") is the principal legislative and governing body of the County, as provided by the Florida Constitution and Chapter 125, Florida Statutes, as amended. The Board consists of five Commissioners elected at large for a maximum of three, four-year terms of office. Each commissioner represents and resides in one of the five Commission Districts. Each November, the Board elects a Chair who serves as its presiding officer. The Board is one of seven separate but equal sections of County government ("Constitutional Offices") that provide services and facilities to County residents. The other six Constitutional Offices include the 20th Judicial Circuit, Clerk of the Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections and Tax Collector. The Clerk of the Circuit Court is ex officio Clerk of the Board and auditor, recorder and custodian of all County funds. The Clerk administers the County's fiscal activities on behalf of the Board. The County Administrator, the chief administrative official of the County, is appointed by and serves at the discretion of the Board. This official is directly responsible to the Board for administration and operation of all ten operating departments of the County. Legal services to the County government are provided by the Office of the County Attorney. The County Attorney is appointed by the Board. Staff attorneys represent the Board and all other departments, divisions, boards and offices in all legal matters affecting the County.

Retirement Plan

The County participates in the Florida Retirement System ("FRS"), which was created to provide a defined benefit pension plan for participating employees. The Florida Retirement System Pension Plan ("FRS Plan") is a cost sharing, multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program ("DROP") for eligible employees. Employees enrolled in the FRS Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55, if vested, or at any age after 25 years of service. All members enrolled in the FRS Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 55, if vested, or at any age after 25 years of service.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 96 months after electing to participate, except that certain instructional personnel may participate in DROP for a period up to 120 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

At September 30, 2025, the County reported a liability of \$381,880,000 for its proportionate share of the FRS Plan's net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2025. The County's proportion of the net pension liability was based on the County's contributions received by FRS during the measurement period for employer payroll paid dates from July 1, 2024 through June 30, 2025, relative to the total employer contributions received from all of FRS's participating employers. At June 30, 2025, the County's proportion was 1.2305%, which was a decrease of 0.0229% from its proportion measured as of June 30, 2024.

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Demographic and Economic Statistics

The County is home to one of the fastest-growing populations in the nation. With approximately 27.4% of its residents age 65 and older, the County is well known as a retirement destination. The County's population grew by approximately 23% between 2010 and 2020 and by 10.3% between 2020 and 2025. The County is projected to have a population of over 1,000,000 by 2040. The estimated population in 2025 was 839,223.

The County continues to see steady job growth and a strong labor force. The Florida Department of Economic Opportunity projects a 9.8% increase in County jobs by 2033. The labor force at September 30, 2025, 2024, and 2023 was 377,200, 380,000 and 396,900, respectively. Employment in the County as of September 30, 2025 was estimated at 359,200. The County's unemployment level is above Florida's rate of 3.8% and above the national rate of 4.3%.

Year	Population	Total Personal Income (in thousands)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rates		
						County	State	National
2016	680,578	\$31,296,442	\$44,583	46.3	91,222	4.7%	4.7%	5.0%
2017	698,468	33,060,033	48,537	46.9	92,590	3.6	3.8	4.2
2018	713,903	36,786,500	50,390	47.8	93,167	2.9	3.5	3.7
2019	735,148	38,685,758	51,266	47.8	94,405	2.8	3.2	3.5
2020	750,493	40,119,053	52,064	48.1	95,647	6.4	7.2	7.9
2021	782,579	43,260,834	54,707	48.5	95,023	4.0	4.9	4.8
2022	802,178	49,552,254	62,885	48.8	97,264	2.6	2.5	3.5
2023	800,989	52,281,287	63,568	45.6	99,354	3.2	2.8	3.8
2024	827,016	54,979,729	65,878	49.1	101,369	3.6	3.3	4.1
2025	839,223	60,550,455	70,329	49.3	102,680	4.8	3.8	4.3

Source: Lee County, Florida Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2025.

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**Average Annual Employment
and Total Wages (in thousands)
Covered by Unemployment Compensation
2024-2025**

Industry	2024 Average Employment	2024 Total Wages*	2025 Average Employment	2025 Total Wages*
Total, All Industries	299,289	\$18,429,297	301,814	\$19,226,921
Accommodation and Food Services	33,132	1,026,994	33,347	1,073,330
Administrative and Waste Services	20,272	1,045,806	19,735	1,028,102
Agriculture, Forestry, Fishing & Hunting	1,312	54,747	1,296	55,008
Arts, Entertainment, and Recreation	8,867	388,625	9,201	446,728
Construction	41,524	2,702,838	40,396	2,702,303
Educational Services	17,031	959,900	17,520	1,022,579
Finance and Insurance	6,917	733,472	6,932	773,048
Health Care and Social Assistance	47,800	3,464,228	49,813	3,788,567
Information	3,164	268,240	3,004	256,438
Management of Companies and Enterprises	2,316	313,386	2,279	264,567
Manufacturing	8,147	606,671	8,244	657,323
Mining	278	22,021	269	22,457
Other Services, Ex. Public Admin	9,794	470,547	10,035	497,868
Professional and Technical Services	17,696	1,709,817	18,377	1,809,425
Public Administration	13,076	1,008,344	13,450	1,069,961
Real Estate and Rental and Leasing	7,466	559,802	7,682	578,739
Retail Trade	42,884	1,789,426	42,263	1,812,380
Transportation and Warehousing	8,008	478,692	8,413	518,421
Unclassified	429	32,269	202	12,207
Utilities	1,024	109,599	1,119	124,880
Wholesale Trade	8,152	683,873	8,237	712,589

* Totals may not add due to rounding.

Source: FloridaCommerce, Bureau of Workforce Statistics and Economic Research, Quarterly Census of Employment and Wages Program (QCEW).

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Employers

The ten largest employers located within the County, together with the total number of employees employed by each, are presented below:

**Lee County, Florida
Principal Employers
Fiscal Year 2025**

Employer	Employees	Percentage of Total County Employment
Lee Health	16,506	4.61%
Lee County School District	12,264	3.42
Lee County Local Government	9,959	2.78
Publix Super Market	5,730	1.60
Walmart	3,357	0.94
Amazon	2,365	0.66
Herc Rentals	2,213	0.62
Gartner, Inc.	2,000	0.56
Florida Gulf Coast University	1,943	0.54
Shell Point Retirement Community	1,563	0.44
Total	<u>57,900</u>	<u>16.16%</u>

Source: Lee County, Florida Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2025.

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Construction

The County's incorporated areas have paralleled the building activity trend toward multifamily housing in the incorporated region. The following table presents building permit activity in the County for 2016 through 2025.

Total Building Permits Lee County 2016-2025

Year	Total Value	Number of Units	
	Residential (000's)	Single Family	Multi- Family
2016	\$1,260,040	4,092	1,325
2017	1,348,404	4,841	2,113
2018	1,869,044	5,803	3,918
2019	1,725,963	5,633	3,472
2020	1,937,415	6,812	3,808
2021	2,671,616	11,020	2,374
2022	2,640,820	8,923	4,375
2023	2,842,674	8,650	4,878
2024	3,895,717	10,554	4,857
2025	3,763,847	9,962	3,585

Source: United States Census Bureau, *Building Permits Survey*.

Higher Education

Two colleges service Lee County's population. Florida Southwestern State College, offering Associate's and Bachelor's degrees, as well as various certificate programs. Florida Gulf Coast University offers both bachelor and graduate degrees for upper division students. There are several satellite facilities that offer Associates and Certifications as well as Bachelors, Masters and Ph.Ds. These facilities include Barry University, International University, Nova University, Walden University, Florida Southern College and Southwest Florida College.

Medical Facilities

Lee County has six hospital facilities with a total patient capacity of approximately 1,600 beds. There is also a veterans' clinic and several walk-in emergency facilities.

Commercial Fishing

Commercial fishing in Lee County is a year round operation, with shrimp fleets making their home ports in Fort Myers Beach. The varieties of seafood marketed in the County include pompano, grouper, snapper, Spanish mackerel, mullet, stone crabs and shrimp.

Because of the large number of individual operators and small fleets involved in commercial fishing, complete current statistics are not available.

According to the National Marine Fisheries Service, 43 different species of fish and shellfish are landed in substantial quantities in the County, which is considered one of the best fishing areas in the Southeast United States.

Recreational Facilities

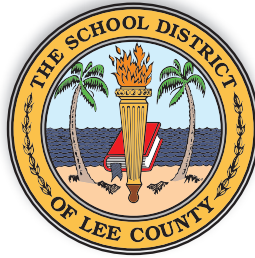
There are 18 miles of public parks on the beachfront and more than 100 public beach access points. The County contains more than 100 parks, beaches, wildlife refuges, including J.N. "Ding" Darling National Refuge on Sanibel Island, Lover's Key/Black Island State Park, Lakes Park and Six Mile Cypress Slough. The County has more than 100 golf courses and ranks in the top ten in the nation for hole-per-person ratio. The County is also the spring training home for Major League Baseball's Minnesota Twins and Boston Red Sox.

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APPENDIX B

**EXCERPTED PAGES FROM
THE ANNUAL COMPREHENSIVE FINANCIAL STATEMENTS
OF THE SCHOOL BOARD OF LEE COUNTY, FLORIDA
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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Annual Comprehensive Financial Report

For the Year Ended June 30, 2025



THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA

2855 Colonial Blvd., Fort Myers, FL 33966

www.leeschools.net



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Vision: To be a world-class school system

Independent Auditor's Report

Honorable Chairperson and Members of
The School Board of Lee County, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the School Board of Lee County, Florida (the "District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the aggregate discretely presented component units, which represent 100% of the assets and deferred outflows of resources, net position and revenues of the aggregate discretely presented component units as of June 30, 2025. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 21 to the financial statements, in the fiscal year ended June 30, 2025, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 101, Compensated Absences. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, pension and other postemployment benefit information, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards

Honorable Chairperson and members of
The School Board of Lee County, Florida

Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The budgetary comparison schedules and combining and individual fund financial statements and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the budgetary comparison schedules, and the combining individual fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2026, on our consideration of District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Forvis Mazars, LLP

**Tampa, Florida
March 25, 2026**

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

This section of the School District of Lee County's Annual Comprehensive Financial Report presents management's discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2025. Please read it in conjunction with the District's financial statements, which immediately follow this section.

Financial Highlights

- The District's assets plus deferred outflows of resources exceeded its liabilities plus deferred inflows of resources by \$1,607,063,587 at fiscal year ending June 30, 2025.
- Net position of the District increased by \$131,311,616 in comparison to the 2023-24 fiscal year.
- The District's Government-wide revenues totaled \$1,674,352,302, comprised of general revenues of \$1,550,866,813 or 92.6 percent of the total revenues. Program specific revenues from charges for services, operating grants and contributions, and capital grants and contributions, totaled \$123,485,489 or 7.4 percent of the total revenues.
- Expenses incurred by the District totaled \$1,543,040,686 for governmental related activities. Program specific revenues offset these expenses by \$123,485,489, and general revenues funded the difference.
- The District's governmental funds reported combined ending fund balances of \$1,031,515,255 or an decrease of \$13,436,772 or (1.3%) percent in 2024-25 fiscal year in comparison with the 2023-24 fiscal year.
- The unassigned fund balance of the General Fund representing the net current financial resources available for general appropriation by the Board, totaled \$136,751,432, at June 30, 2025, or 12.5 percent of total General Fund expenditures.
- The General Fund total fund balance as of June 30, 2025, totaled \$229,655,160, a (5.5) percent decrease in comparison to the 2023-24 fiscal year total of \$242,960,829. The decrease in other sources of revenue is what attributed to the reduction in the general fund.

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Overview of the Financial Statements

The Financial Section of this Annual Comprehensive Financial Report consists of three parts: Management's Discussion and Analysis, the Basic Financial Statements, and other supplementary section that presents combining statements for Nonmajor Governmental Funds, Internal Service Funds, and Component Units. The Basic Financial Statements include several statements that present different views of the District:

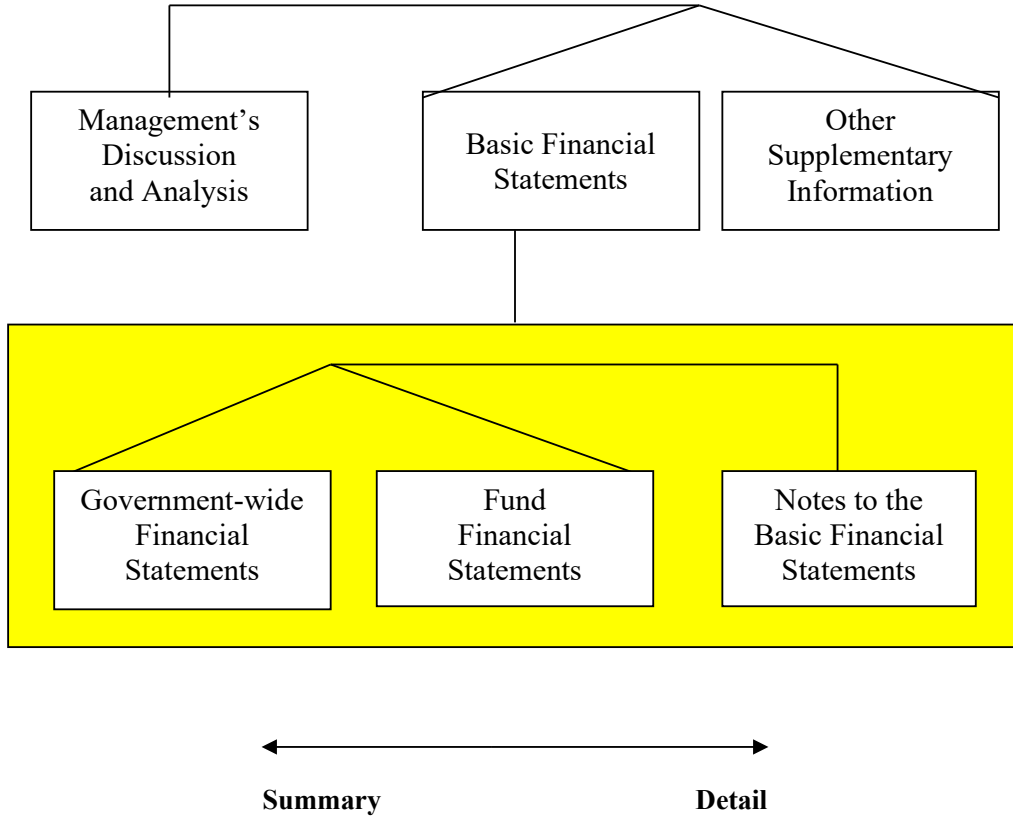
- The first two statements are *Government-wide Financial Statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *Fund Financial Statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the Government-wide statements.
- The *Governmental Funds Statements* tell how basic services, such as regular and special education, were financed in the *short-term* as well as what remains for future spending.
- The *Statement of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual* is presented for the primary operating funds and ESSER funds of the District.
- The *Proprietary Funds Statements* offer *short-term* and *long-term* financial information about the activities the District operates as Internal Service Funds, for self-insurance.

The Basic Financial Statements also include notes that explain information in the statements and provide more detailed data. The statements are followed by a section of other supplementary information that further explains and supports the Basic Financial Statements with combining and individual fund statements that provide details about the Nonmajor Governmental Funds. Combining statements for the District's discretely presented component units are also included. Also, the other supplemental section includes schedules of budget to actual for each governmental fund. Figure A-1 on the following page shows how the various parts of this report are arranged and related to one another.

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Figure A-1

Organization of the District's Annual Comprehensive Financial Report



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Figure A-2 summarizes the major features of the District’s Basic Financial Statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of Management’s Discussion and Analysis highlights the structure and contents of each of the statements.

Figure A-2

Major Features of the Government-wide and Fund Financial Statements

	Government-wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire District	The activities of the District that are not proprietary such as delivery of student instruction and building maintenance	Activities the District operates similar to private businesses
Required Financial Statements	Statement of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures, and Changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenditures, and Changes in Net Position Statement of Cash Flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid

Government-wide Statements

The Government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's non-fiduciary assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid. The two Government-wide statements report the District's *net position* and *how they have changed*. Net position (the difference between the District's assets and deferred outflows less liabilities and deferred inflows) are one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, additional nonfinancial factors, such as changes in the District's property tax base and the condition of the school buildings and other facilities, must be considered.

In the Government-wide statements, the District's activities are divided into two categories:

Governmental Activities: Most of the District's basic services are included here, such as student instruction, transportation, maintenance and operations, and administration. Property taxes and State aid finance most of these activities. The Lee County School Board Leasing Corporation (Leasing Corporation) although legally separate, was formed December 17, 2003, to facilitate financing for the acquisition of facilities and equipment. Due to a substantive economic relationship between the District and the Leasing Corporation, the Leasing Corporation has been included as an integral part of the primary government. Separate financial statements for the Leasing Corporation are not published.

Component Units: The District includes 17 other entities in its report – The Foundation for Lee County Public Schools, Inc., Athenian Academy Charter School, Bonita Springs Charter School, City of Palms Charter High School, Inc., Coronado High School, DJB Technical Academy, Inc., Gateway Charter School, The Heights Charter School, Heritage Charter School, Inc., Island Park Charter High School, Inc., The Island School, Inc., Mid Cape Global Academy, Northern Palms Charter High School, North Nicholas High School, Oak Creek Charter School of Bonita Springs, Inc., Palm Acres Charter High School, Inc., and Six Mile Charter Academy. Although legally separate, these “component units” are important because the District is financially accountable.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or “major” funds – not the District as a whole. Funds are accounting devices used to track specific sources of funding and spending on particular programs.

- Some funds are required by State law and bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts), or to show that it is properly using certain revenues (such as Federal grants).

The District has two kinds of funds:

Governmental Funds

Most of the District's basic services, such as instruction and facilities services, are included in governmental funds. These funds generally focus on 1) how cash and other financial assets can readily be converted to cash flow in and out, and 2) the balances left at year-end that are available for spending. Consequently, the governmental funds statement provides a detailed, short-term view that assists the reader in determining whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, a reconciliation is provided for both the governmental fund balance

sheet and the statement of revenues, expenditures, and changes in fund balance which explains the relationships and/or differences between the funds.

Proprietary Funds

Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the Government-wide statements. The District uses two *Internal Service Funds* (a type of proprietary fund) to report activities that provide self-insurance services for its other programs and activities.

Financial Analysis of the District (Primary Government) as a Whole

Net Position. The District's *combined* net position was larger on June 30, 2025, than the previous fiscal year; increasing \$131.3 million to \$1,607.0 million (see Figure A-3) primarily due to the increase in property tax revenue of \$38.9 million. By far, the largest portion of the District's net position, \$1,071.6 million (66.7 percent) reflects its net investment in capital assets (e.g., land, construction in progress, buildings, improvements, equipment, motor vehicles, software and audio visual materials). The District uses these capital assets to house and educate the students of Lee County, Florida; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted portion of the District's net position, \$922.2 million (57.4 percent), represents resources that are subject to external restrictions on how they may be used. The unrestricted net position, a deficit amount of \$386.7 million (24.1 percent), was the result of accruing \$572.8 million in net pension liability.

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Figure A-3

Condensed Statement of Net Position (in millions of dollars)

	Governmental Activities		Total Percentage Change
	2024	2025	
Current and Other Assets	\$ 1,362.7	\$ 1,356.7	(0.4)%
Capital Assets, Net	1,401.3	1,495.2	6.7%
Total Assets	2,764.0	2,851.9	3.2%
Deferred Outflows of Resources	179.4	178.3	(0.6)%
Long-term Debt Outstanding	1,195.3	1,031.8	(13.7)%
Other Liabilities	188.9	302.8	60.3%
Total Liabilities	1,384.2	1,334.6	(3.6)%
Deferred Outflows of Resources	60.6	88.4	45.9%
Net Position			
Net Investment in Capital Assets,	937.4	1,071.5	14.3%
Restricted	911.7	922.2	1.2%
Unrestricted	(350.5)	(386.7)	10.3%
Total Net Position	\$ 1,498.6	\$ 1,607.0	7.2%

The District’s improved financial position is the product of many factors, but the most significant factors are due to:

- Property Tax revenue increased \$38.9 million due to an increase in the tax roll. This increase is due to the increase in property values in FY25.

Changes in Net Position. The District’s total revenue decreased 3.2 percent to \$1,674.4 million (see Figure A-4). Property taxes, local sales tax, FEFP funding, and grants and state sources, accounted for most of the District’s revenue (see Figure A-5). The remainder came from capital grants and contributions, operating grants and contributions, fees charged for services, investment earnings and other sources.

The total cost of all programs and services decreased 1.6 percent to \$1,543.0 million. Approximately 90 percent of the District’s expenses are related to student instruction, student services, facilities services, transportation, operation of plant and maintenance of schools (see Figure A-6). The District’s administrative activities, including school administration, accounted for 10 percent of total costs.

Total revenues surpassed expenses, increasing net position \$131.3 million and contributing to the District’s improved financial condition.

Figure A-4

Changes in Net Position from Operating Results (in millions of dollars)

	Governmental Activities		Total Percentage Change
	2024	2025	
<i>Revenues</i>			
<i>Program Revenues</i>			
Charges for Services	\$ 17.1	\$ 17.8	4.1%
Operating Grants and Contributions	54.5	66.2	21.5%
Capital Grants and Contributions	56.8	39.5	(30.5)%
<i>General Revenues</i>			
Property Taxes	776.8	815.7	5.0%
Local Sales Tax	125.2	118.2	(5.6)%
Florida Education Finance Program	237.8	246.2	3.5%
Other Federal Sources	156.2	117.5	(24.8)%
Other State Sources	184.8	135.3	(26.8)%
Other Local Sources	55.8	53.9	(3.4)%
Investment Earnings	65.2	64.0	(1.8)%
Total Revenues	1,730.2	1,674.3	(3.2)%
<i>Expenses</i>			
Instruction	770.3	757.1	(1.7)%
Student Support Services	60.2	59.6	(1.0)%
Instructional Media Services	5.2	4.9	(5.8)%
Instruction & Curriculum Development Services	46.4	35.5	(23.5)%
Instructional Staff Training Services	22.1	21.0	(5.0)%
Instruction Related Technology	10.5	11.3	7.6%
Board	3.2	4.2	31.3%
General Administration	13.5	9.8	(27.4)%
School Administration	77.2	74.6	(3.4)%
Facilities Services	232.3	244.6	5.3%
Fiscal Services	6.5	6.6	1.5%
Food Services	72.0	69.1	(4.0)%
Central Services	20.7	17.6	(15.0)%
Student Transportation Services	61.0	61.0	0.0%
Operation of Plant	106.9	110.1	3.0%
Maintenance of Plant	23.6	21.9	(7.2)%
Administrative Technology Services	10.0	10.5	5.0%
Community Services	10.0	10.9	9.0%
Unallocated Interest on Long-Term Debt	15.9	12.7	(20.1)%
Total Expenses	1,567.5	1,543.0	(1.6)%
Increase (Decrease) in Net Position	162.7	131.3	(19.3)%
Net Position, Beginning	1,335.9	1,498.6	12.2%
Adjustments to Beginning Net Position 1		(22.9)	
Net Position, Beginning, Restated	1,335.9	1,475.7	10.5%
Net Position, Ending	\$ 1,498.6	\$ 1,607.0	7.2%

Figure A-5

Sources of Revenues for Fiscal Year 2025

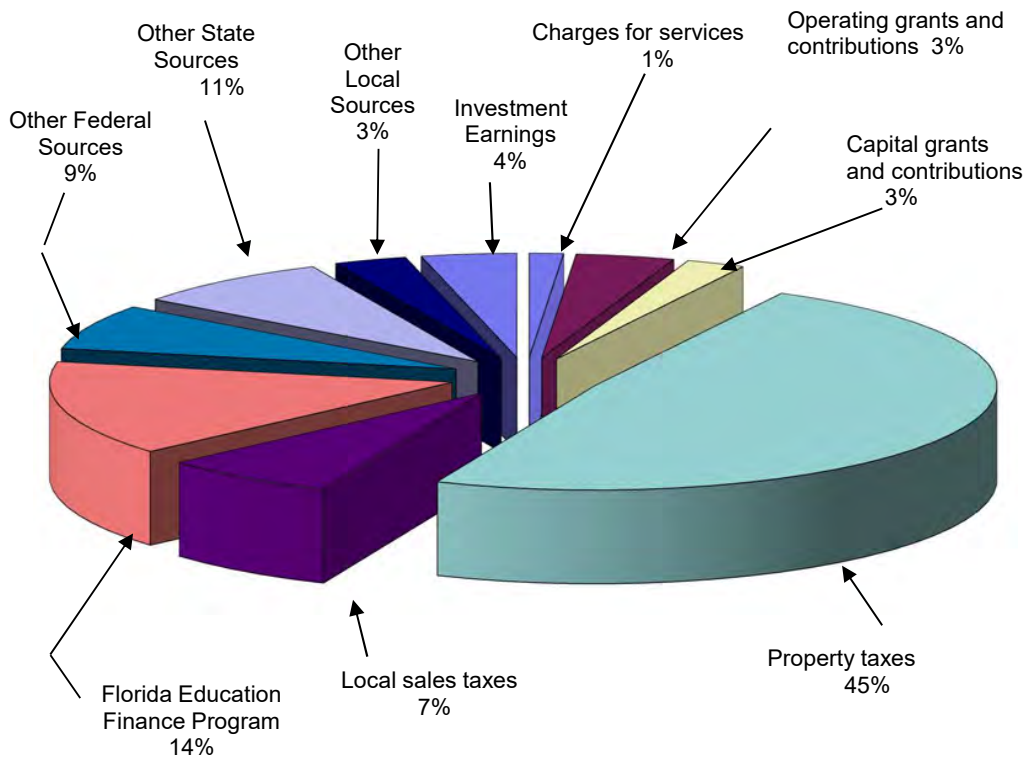
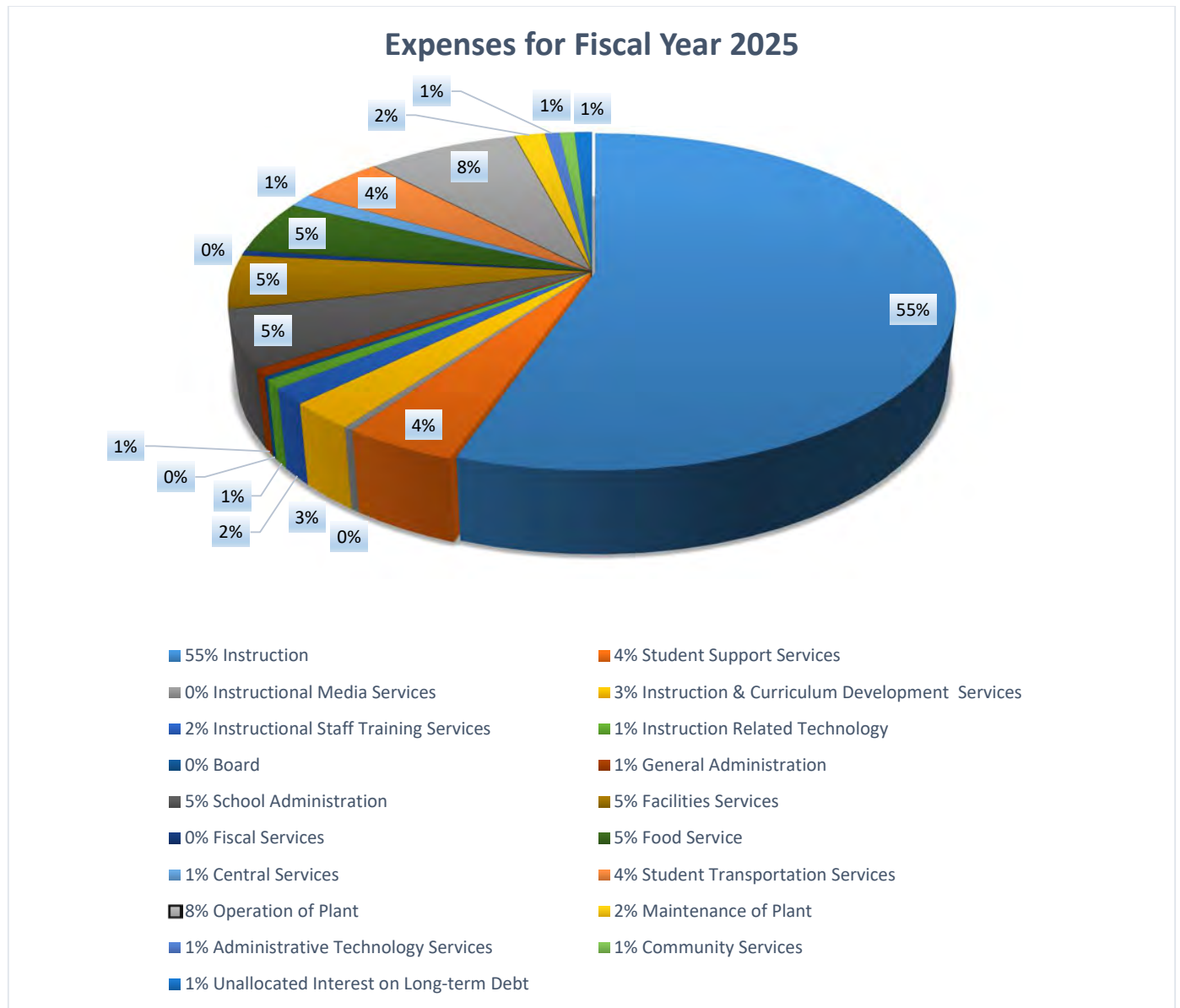


Figure A-6



Governmental Activities

Revenues for the District’s governmental activities decreased 3.2 percent, while expenses decreased 1.6 percent. The increase in net position for governmental activities was \$131.3 million in 2025. The major impact to expense is the increase of 12.26 million to facilities services.

Figure A-7 presents the cost of the District’s activities. The table also shows each activity’s *net cost* (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the taxpayers by each of these functions.

Figure A-7

Net Cost of Governmental Activities, Primary Government (in millions of dollars)

	Total Cost of Services		Percentage	Net Cost of Services		Percentage
	2024	2025	Change	2024	2025	Change
Instruction	\$ 770.3	\$ 757.2	(1.7)%	\$ (754.9)	\$ (740.9)	(1.9)%
Student Support Services	60.2	59.6	(1.0)%	(60.2)	(59.6)	(1.0)%
Instructional Media Services	5.2	4.9	(6.1)%	(5.2)	(4.9)	(6.1)%
Instruction & Curriculum Development Services	46.4	35.5	(23.4)%	(46.4)	(35.5)	(23.4)%
Instructional Staff Training Services	22.1	21.0	(4.9)%	(22.1)	(21.0)	(4.9)%
Instruction Related Technology Board	10.5	11.3	8.0%	(10.5)	(11.3)	8.0%
General Administration	3.2	4.2	30.5%	(3.2)	(4.2)	30.5%
School Administration	13.5	9.8	(27.6)%	(13.5)	(9.8)	(27.6)%
Facilities Services	77.2	74.6	(3.4)%	(77.2)	(74.6)	(3.4)%
Fiscal Services	232.3	244.6	5.3%	(175.6)	(205.1)	16.8%
Food Services	6.5	6.6	1.1%	(6.5)	(6.6)	1.1%
Central Services	72.0	69.1	(4.0)%	(16.6)	(2.0)	(88.2)%
Student Transportation Services	20.7	17.6	(14.8)%	(20.7)	(17.6)	(14.8)%
Operation of Plant	61.0	61.0	0.0%	(60.3)	(60.4)	0.2%
Maintenance of Plant	106.9	110.1	2.9%	(107.0)	(110.1)	2.9%
Administrative Technology Services	23.6	21.9	(7.3)%	(23.6)	(21.9)	(7.3)%
Community Services	10.0	10.5	5.2%	(10.0)	(10.5)	5.2%
Unallocated Interest and Fiscal Charges on Long-Term Debt	10.0	10.9	8.8%	(10.0)	(10.9)	8.8%
	15.9	12.7	(19.9)%	(15.8)	(12.7)	(19.4)%
Total	\$ 1,567.5	\$ 1,543.1	(1.6)%	\$ (1,439.3)	\$ (1,419.6)	(1.4)%

The cost of all governmental activities this year was \$1,543.1 million.

Part of the cost was financed by the users of the District’s programs (\$17.8 million).

The Federal and State governments subsidized certain programs with grants and contributions (\$105.7 million).

However, most of the District’s costs (\$1,414.5 million) were financed by District and State taxpayers. This portion of governmental activities was financed with \$815.7 million from property taxes, \$118.2 million of local sales tax, \$117.5 million of other federal sources, \$135.2 of state sources and \$246.2 million of unrestricted Florida Education Finance Program funds based on the statewide education aid formula, and other federal, state, and local sources.

Financial Analysis of the District's Funds

The focus of the governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. As the District completed the fiscal year, its governmental funds reported combined fund balances of \$1,031.5 million, which is lower than last fiscal year's ending fund balances of \$1,044.9 million. Unassigned fund balance of \$136.7 million represents 13.2 percent of the ending fund balances and is available to meet the District's short-term spending needs. The remainder of fund balance is non-spendable, restricted or assigned to indicate that it is not available for new spending, because it is: 1) to liquidate inventory and prepaid items of \$9.7 million; 2) restricted by Federal law, State statute and local ordinance of \$875.7 million; 3) assigned for State and Local programs of \$9.2 million.

The *General Fund* is the District's chief operating fund. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$136.7 million, while total fund balance reached \$229.6 million. During the current fiscal year, the fund balance of the General Fund decreased by \$13.3 million. A key factor in this increase was the spending on the facilities services.

The *Special Revenue Fund Federal Education Stabilization* is used to account for certain Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act funding provided as emergency relief to school districts to address the impact of the COVID-19 on elementary and secondary schools. Because grant revenues are not recognized until expenditures are incurred, this fund generally does not accumulate a fund balance.

The *Debt Service Fund Certificates of Participation* is used to account for the resources accumulated and payments made for principal, interest, and related costs on the long-term Certificates of Participation. The restricted fund balance at the end of fiscal year 2025 was \$0.1 million.

The *Debt Service Fund ARRA Economic Stimulus* is used to account for the resources accumulated and payments made for principal, interest, and related costs on the long-term Qualified School Construction Bond (QSCB). The restricted fund balance at the end of fiscal year 2025 was \$27.9 million, an increase of \$1.0 million from the prior fiscal year due to the accumulated principal payments required to be deposited into a sinking fund until fiscal year 2026 when the debt will be paid.

The *Capital Projects Fund Local Capital Improvement Tax* is used to account for the resources generated by the local capital improvement tax to be used for educational capital outlay needs. At June 30, 2025, the total fund balance was \$529.0 million, an increase of \$31.1 million from the prior fiscal year due to conservative spending.

The *Capital Projects Fund Certificates of Participation/Impact Fees/State Grants* is used to account for the resources generated by various sources for educational capital outlay needs, including new construction and renovation and remodeling projects as specified in statute, ordinance, or contract. The total fund balance for this fund at the end of the current fiscal year was \$194.2 million, a decrease of \$40.7 million from the prior fiscal year. The primary reason for this change was because capital outlays connected with construction, remodeling and renovation of various schools were expended in the current year using prior year resources. In 2025 there was a 55.4 million dollar transfer out of Impact Fees and Sales Tax. This transfer was used to assist with paying our Certificates of Participation that matured.

General Fund Budgetary Highlights

Over the course of the fiscal year, the District revised the annual budget several times. These budget amendments generally fall into two categories:

Amendments Related to Changes in Revenue Estimates.

Throughout the school year, the District received revised calculations in the FEFP (Florida Education Finance Program – the funding formula for Florida school districts), based on changes in student counts, State revenue estimates, and local tax roll estimates. With each calculation, the budget is amended to reflect the current revenue estimates provided in the FEFP. The District will also amend revenues in the General Fund for new State grants and changes in local revenue sources, such as interest and indirect cost revenue. The District budgets 96 percent of projected property tax revenues at the onset of each budget year, as required by law, and collections are generally higher.

Amendments to Modify Appropriations.

Throughout the fiscal year, the District may increase appropriations for new grants and unanticipated expenditures, such as hurricane damage.

Each school and department is allowed to modify its existing budget to meet its operational needs throughout the school year. An example of this type of amendment would be to move appropriations from purchased supplies to textbooks in order to acquire new textbooks for the start of class.

Capital Assets and Debt Administration

Capital Assets

By the end of the 2024-25 fiscal year, the District had an investment of \$1,495.2 million, net of accumulated depreciation, in a broad range of assets, including land, construction in progress, improvements other than buildings, buildings, furniture, fixtures and equipment, motor vehicles, audio visual material and software (see Figure A-8). This amount represents a net increase of \$93.9 million, or 6.7 percent, from the 2023-24 fiscal year. Additions to construction in progress, improvements other than buildings and motor vehicles amounted to \$71.8 million for the fiscal year. Total depreciation expense for the year was \$51.4 million. (More detailed information about capital assets can be found in Note 5 to the Basic Financial Statements.)

Figure A-8

Capital Assets (net of depreciation, in millions of dollars)

	Governmental Activities		Total Percentage Change
	2024	2025	
Land	\$ 195.1	\$ 193.2	(1.0)%
Construction in Progress	182.2	257.3	41.2%
Improvements Other Than Buildings	29.2	29.3	0.3%
Buildings	933.2	956.5	2.5%
Furniture, Fixtures and Equipment	18.5	20.4	10.0%
Motor Vehicles	37.5	34.1	(9.2)%
Audio Visual Materials and Software	5.6	4.4	(20.8)%
Total	\$ 1,401.3	\$ 1,495.2	6.7%

The District's approved five-year Capital Outlay Plan includes the construction of one new middle school, one new high school, three new elementary schools and one center K-8. In addition there will be remodel and renovations done as follows: one elementary, two middle schools, four high schools, and one technical center over the next five years. The District's student enrollment has grown over the last several years, 8.5 percent since 2020 for a present enrollment of 102,519 students.

The District's capital projects budget shows spending another \$897.4 million in the 2025-26 fiscal year for capital projects, principally in four areas:

- 1) \$23.3 million to purchase new school buses.
- 2) \$33.0 million to continue the upgrade of technology equipment.
- 3) \$281.9 million to continue the maintenance of existing schools.
- 4) \$376.6 million to remodel one elementary school, two middle schools, four high schools, one technical center, and begin the construction of three new elementary schools, one new middle school and one new high school and one K-8 Center.

Long-Term Debt

At fiscal year-end, the District had \$383.2 million in Certificates of Participation, Leases and Notes outstanding, a decrease of 12.8 percent from last fiscal year, as shown in Figure A-9. (More detailed information about the District’s long-term liabilities is presented in Note 7 to the Basic Financial Statements.)

Figure A-9

Outstanding Long-Term Debt (in millions of dollars)

	Total School District		Total Percentage Change
	<u>2024</u>	<u>2025</u>	
Certificates of Participation, Lease and Note Payables (financed with property taxes)	\$ 439.2	\$ 383.2	(12.8)%
Total	<u>\$ 439.2</u>	<u>\$ 383.2</u>	(12.8)%

The District continues to retire its outstanding debt as it becomes due, retiring \$55.9 million of outstanding Certificates of Participation, notes, and bonds during the 2024-25 fiscal year.

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Factors Bearing on the District's Future

At the time these financial statements were prepared, the District was aware of three existing circumstances that could significantly affect its financial health in the future:

- Education is dependent on people to produce results for students, a labor-intensive profession where qualified people are essential for success. Recruitment and retention of employees is of paramount importance to provide a world class education to every child. Both recruitment and retention have been challenging in the current economic environment, and the difficulties of many employers have been well documented. The District continues to work on improving salary, compensation, and working conditions to create and maintain a high-quality workforce. The negotiation of salary schedules that will be palatable for all employees will be a challenge, as the current availability of funding is limited, and employee expectations may be high. Significant resources will be needed to invest in employee salary schedules.
- Family empowerment scholarships granted at the state level provide public funding for those attending private institutions. The impact it may have on current and future enrollment is unknown, but the law does have the potential of reducing funding for education for traditional public students in our county.
- The District's current growth projections call for building multiple new schools and maintenance of existing aging facilities over the next ten years. Projected capital revenue will not sustain the projected need, and alternatives must be explored related to additional funding sources and expense reduction.

Contacting the District's Financial Management

This Annual Comprehensive Financial Report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Director of Financial Accounting, the School District of Lee County, 2855 Colonial Blvd., Fort Myers, Florida 33966-1012.

**BASIC FINANCIAL
STATEMENTS**

THE SCHOOL DISTRICT OF LEE COUNTY
STATEMENT OF NET POSITION
June 30, 2025

	Primary Government		Component
	Governmental		Units
	Activities		
ASSETS			
Cash	\$ 63,367,139	\$	21,390,842
Investments	1,181,269,181		3,756,083
Accounts Receivable	23,980,298		1,760,334
Lease Receivable	4,171,663		-
Taxes Receivable	18,820,731		-
Deposits Receivable	-		107,585
Due from Other Agencies	44,216,364		1,020,986
Inventory	4,750,912		-
Prepaid Expenses	5,044,825		3,233,868
Capital Credits Receivable	10,587,558		-
Restricted assets:			
Cash with Fiscal Agent	450,790		-
Investments			1,446,654
Capital assets:			
Non-depreciable	450,515,056		3,448,638
Depreciable, net	1,044,707,642		95,581,845
Total Assets	2,851,882,159		131,746,835
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	532,328		536,572
Deferred amount on OPEB	4,864,083		-
Deferred amount on pension	172,879,702		556,624
Total Deferred Outflow of Resources	178,276,113		1,093,196
LIABILITIES			
Salaries and Wages Payable	37,252,612		3,497,367
Payroll Deductions and Withholdings	6,500,702		-
Accounts Payable	53,638,577		4,110,361
Construction Contracts Payable	1,415,518		54,899
Construction Contracts Payable - Retainage	9,094,191		86,636
Matured Principal and Interest Payable	60,507,782		-
Accrued Interest Payable	16,519		-
Deposits Payable	2,661		-
Unearned Revenue	12,563,292		-
Due to Other Agencies	18,931,548		2,110,709
Noncurrent liabilities:			
Portion due within one year:			
Notes Payable	-		257,659
Bonds Payable	-		630,000
Lease Payable	1,490		4,051,757
Liability for Compensated Absences	5,614,606		152,649
Certificates of Participation Payable	80,940,000		-
Early Retirement Payable	41,800		-
Insurance Claims Payable	16,326,905		-
OPEB Payable	66,708		-
Portion due after one year:			
Notes Payable	-		3,019,252
Bonds Payable	-		34,222,592
Lease Payable	-		65,375,840
Liability for Compensated Absences	100,689,050		49,466
Certificates of Participation Payable	302,332,676		-
Early Retirement Payable	937,200		-
Insurance Claims Payable	9,613,300		-
Postemployment Benefits Payable	45,414,863		-
Net Pension Liability	572,784,226		940,149
Total Liabilities	1,334,686,226		118,559,336
DEFERRED INFLOWS OF RESOURCES			
Lease Revenue	3,900,840		-
Deferred amount on refunding	1,062,185		-
Deferred amount on OPEB	9,784,230		-
Deferred amount on pension	73,661,204		86,394
Total Deferred Inflow of Resources	88,408,459		86,394
NET POSITION			
Net Investment in Capital Assets	1,071,559,602		(4,844,281)
Restricted for:			
State Required Carryover Programs	18,531,922		-
Debt Service	79,980,491		1,302,490
Capital Projects	746,632,859		1,327,529
Food Service: Expendable	2,274,910		-
Food Service: Nonexpendable	1,047,292		-
Workforce Development	17,711,613		-
Hurricanes	43,330,757		-
School Funds	11,783,615		-
Other Purposes	939,191		8,381,025
Unrestricted	(386,728,665)		8,027,535
Total Net Position	\$ 1,607,063,587	\$	14,194,298

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

THE SCHOOL DISTRICT OF LEE COUNTY
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2025

FUNCTIONS	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Component Units
Primary Government:						
Governmental Activities:						
Instruction	\$ 757,167,002	\$ 16,312,966	\$ -	\$ -	\$ (740,854,037)	\$ -
Student Support Services	59,620,478	-	-	-	(59,620,478)	-
Instructional Media Services	4,882,239	-	-	-	(4,882,239)	-
Instruction and Curriculum Development Services	35,545,841	-	-	-	(35,545,841)	-
Instructional Staff Training Services	21,008,645	-	-	-	(21,008,645)	-
Instruction Related Technology	11,344,033	-	-	-	(11,344,033)	-
Board	4,176,894	-	-	-	(4,176,894)	-
General Administration	9,767,607	-	-	-	(9,767,607)	-
School Administration	74,585,602	-	-	-	(74,585,602)	-
Facilities Services	244,563,320	-	-	39,463,938	(205,099,382)	-
Fiscal Services	6,574,079	-	-	-	(6,574,079)	-
Food Services	69,104,603	912,411	66,238,919	-	(1,953,273)	-
Central Services	17,632,697	-	-	-	(17,632,697)	-
Student Transportation Services	60,996,397	557,255	-	-	(60,439,142)	-
Operation of Plant	110,050,078	-	-	-	(110,050,078)	-
Maintenance of Plant	21,881,816	-	-	-	(21,881,816)	-
Administrative Technology Services	10,521,553	-	-	-	(10,521,553)	-
Community Services	10,876,755	-	-	-	(10,876,755)	-
Unallocated Interest on Long-Term Debt	12,741,047	-	-	-	(12,741,047)	-
Total Governmental Activities	1,543,040,686	17,782,632	66,238,919	39,463,938	(1,419,555,198)	
Total Primary Government	\$ 1,543,040,686	\$ 17,782,632	\$ 66,238,919	\$ 39,463,938	(1,419,555,198)	
Component Units:						
Charter Schools/Foundation	\$ 107,842,861	\$ 2,021,775	\$ 10,058,970	\$ 10,235,305		(85,526,811)
General Revenues:						
Taxes:						
Property Taxes, Levied for Operational Purposes				584,253,859	-	
Property Taxes, Levied for Capital Projects				231,479,342	-	
Local Sales Taxes				118,179,141	-	
Florida Education Finance Program				246,248,063	-	
Other Federal Sources Not Restricted to Specific Programs				117,467,273	397,839	
Other State Sources Not Restricted to Specific Programs				135,275,477	81,299,482	
Other Miscellaneous Sources Not Restricted to Specific Programs				53,991,150	3,824,531	
Unrestricted Investment Earnings				63,972,509	751,628	
Special Item				-	503,873	
Total General Revenues				1,550,866,814	86,777,353	
Proceeds from Issuance of Debt					102,998	
Right - To - Use Notes Payable - Interest					(27,231)	
Change in Net Position				131,311,617	1,326,309	
Net Position - July 1, 2024				1,498,565,187	12,867,989	
Adjustment for Change in Accounting Principle, GASB 101				(22,813,216)	-	
Net Position - July 1, 2024, Restated				1,475,751,971	12,867,989	
Net Position - June 30, 2025				\$ 1,607,063,587	\$ 14,194,298	

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

**THE SCHOOL DISTRICT OF LEE COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025**

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	General Fund	Special Revenue Fund Federal Education Stabilization	Debt Service Fund Certificates of Participation	Debt Service Fund ARRA Economic Stimulus	Capital Projects Fund Local Capital Improvement Tax	Capital Projects Fund Certificates of Participation/Impact Fees/State Grants	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS								
Cash	\$ 26,736,786	\$ -	\$ 127,049	\$ 173,718	\$ 216,281	\$ 29,087,509	\$ 5,606,442	\$ 61,947,785
Investments	223,965,788	-	60,568,357	27,094,914	564,675,303	167,236,270	33,942,555	1,077,483,187
Accounts Receivable	19,196,646	447,325	-	-	-	-	617,304	20,261,275
Lease Receivable	4,171,663	-	-	-	-	-	-	4,171,663
Taxes Receivable	13,480,001	-	-	-	5,340,730	-	-	18,820,731
Due from Other Funds	33,552,648	-	-	-	380,768	189,675	758,205	34,881,296
Due from Other Agencies	2,047,643	34,630	-	639,284	-	22,228,493	19,266,314	44,216,364
Restricted Cash with Fiscal Agent	150,790	-	-	-	-	-	-	150,790
Inventory	3,428,035	-	-	-	-	-	1,322,877	4,750,912
Prepaid Items	-	-	-	-	-	5,044,825	-	5,044,825
Total Assets	\$ 326,730,000	\$ 481,955	\$ 60,695,406	\$ 27,907,916	\$ 570,613,082	\$ 223,786,772	\$ 61,513,697	\$ 1,271,728,828
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities								
Salaries and Wages Payable	\$ 37,252,612	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,252,612
Payroll Deductions and Withholdings	6,500,702	-	-	-	-	-	-	6,500,702
Accounts Payable	15,398,676	-	127,049	-	14,128,340	22,113,136	1,829,492	53,596,693
Matured Principal Payable	-	-	52,012,000	-	-	-	-	52,012,000
Matured Interest Payable	-	-	8,495,782	-	-	-	-	8,495,782
Construction Contracts Payable	-	-	-	-	-	1,415,518	-	1,415,518
Construction Contracts Payable - Retainage	32,732	8,269	-	-	4,020,818	5,032,372	-	9,094,191
Deposits Payable	2,462	-	-	-	-	-	199	2,661
Due to Other Agencies	18,931,548	-	-	-	-	-	-	18,931,548
Due to Other Funds	15,170,670	473,686	-	-	23,487,053	1,067,543	8,812,075	49,011,027
Total Liabilities	93,289,402	481,955	60,634,831	-	41,636,211	29,628,569	10,641,766	236,312,734
Deferred Inflows of Resources								
Lease Revenue	3,785,438	-	-	-	-	-	-	3,785,438
Unavailable Revenue	-	-	-	-	-	-	115,402	115,402
Total Deferred Inflows of Resources	3,785,438	-	-	-	-	-	115,402	3,900,840
Fund Balance								
Nonspendable								
Inventory	3,428,035	-	-	-	-	-	1,322,877	4,750,912
Prepaid Items	-	-	-	-	-	5,044,825	-	5,044,825
Restricted for:								
State Required Carryover Programs	18,531,922	-	-	-	-	-	-	18,531,922
Other Purposes	61,681,561	-	-	-	-	-	11,508,030	73,189,591
Debt Service	-	-	60,575	27,907,916	-	-	-	27,968,491
Capital Projects	-	-	-	-	528,976,871	189,113,378	35,650,713	753,740,962
Food Service	-	-	-	-	-	-	2,274,910	2,274,910
Assigned to:								
Purchase Order Obligations for School Operations	9,262,210	-	-	-	-	-	-	9,262,210
Unassigned	136,751,432	-	-	-	-	-	-	136,751,432
Total Fund Balances	229,655,160	-	60,575	27,907,916	528,976,871	194,158,203	50,756,530	1,031,515,255
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 326,730,000	\$ 481,955	\$ 60,695,406	\$ 27,907,916	\$ 570,613,082	\$ 223,786,772	\$ 61,513,698	\$ 1,271,728,829

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

THE SCHOOL DISTRICT OF LEE COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
June 30, 2025

Total Fund Balance - Governmental Funds \$ 1,031,515,255

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

Capital Assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.

Original cost of capital assets	\$ 2,442,149,554	
Accumulated depreciation	<u>(946,926,856)</u>	1,495,222,698

Deferred outflow of resources are reported as a result of changes in fair value of deferred amounts on pensions, postemployment health benefits, and refundings in the statement of net position. 178,276,113

Capital credits to be received in future years are not available to liquidate liabilities in governmental funds, but are accrued in the government-wide financial statements. 10,587,558

Long-term liabilities are reported in the statement of net position but not in the governmental funds because they are not due and payable in the current period. Balances at June 30, were:

Accrued Interest payable	(16,519)	
Certificates of participation payable	(383,272,676)	
Lease payable	(1,490)	
Estimated early retirement payable	(979,000)	
Net pension liability	(572,784,226)	
Estimated insurance claims payable	(25,940,206)	
Postemployment benefits payable	(45,481,571)	
Liability for compensated absences	<u>(106,303,656)</u>	
Subtotal, long-term liabilities		(1,134,779,344)

Deferred inflow of resources are reported as a result of changes in fair value of deferred amounts on pensions, postemployment health benefits, and refundings in the statement of net position. (84,507,619)

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds of the District. The assets and liabilities of the internal service funds, which are reported in the proprietary funds rather than the governmental funds, are included in governmental activities in the statement of net position. The internal service funds net position is \$84,779,185. This includes \$29,534 in compensated absences and \$25,940,205 in estimated unpaid claims included above. The net amount is as follows:

110,748,926

Total net position - governmental activities \$ 1,607,063,587

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

THE SCHOOL DISTRICT OF LEE COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES- GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2025

	General Fund	Special Revenue Fund Federal Education Stabilization	Debt Service Fund Certificates of Participation	Debt Service Fund ARRA Economic Stimulus	Capital Projects Fund Local Capital Improvement Tax	Capital Projects Fund Certificates of Participation/Impact Fees/State Grants	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES								
Federal Direct Sources	\$ 2,447,653	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,011,485	\$ 19,459,138
Federal Through State Sources	1,732,473	20,934,127	-	-	-	-	141,038,659	163,705,259
State Sources	373,494,928	-	-	-	-	8,555,495	9,819,767	391,870,190
Local Sources								
Taxes	584,253,859	-	-	-	231,479,342	-	-	815,733,201
Local Sales Taxes	-	-	-	-	-	118,179,141	-	118,179,141
Food Service Sales	-	-	-	-	-	-	895,337	895,337
Impact Fees	-	-	-	-	-	29,769,485	-	29,769,485
Miscellaneous	63,579,300	-	370,803	1,201,768	15,859,437	9,864,663	40,380,354	131,256,325
Total Revenues	<u>1,025,508,213</u>	<u>20,934,127</u>	<u>370,803</u>	<u>1,201,768</u>	<u>247,338,779</u>	<u>166,368,784</u>	<u>209,145,602</u>	<u>1,670,868,076</u>
EXPENDITURES								
Current								
Instruction	650,706,505	16,755,536	-	-	-	-	84,172,373	751,634,414
Student Support Services	49,446,462	410,159	-	-	-	-	9,255,391	59,112,012
Instructional Media Services	4,485,055	44	-	-	-	-	320,868	4,805,967
Instruction and Curriculum Development Services	13,554,676	431,472	-	-	-	-	21,262,496	35,248,644
Instructional Staff Training Services	12,053,306	1,039,720	-	-	-	-	7,772,162	20,865,188
Instruction Related Technology	11,081,107	63,373	-	-	-	-	74,807	11,219,287
Board	2,949,893	-	-	-	-	-	-	2,949,893
General Administration	6,200,282	1,235,323	-	-	-	-	3,480,729	10,916,334
School Administration	70,266,219	224,035	-	-	-	-	3,018,315	73,508,569
Facilities Services	33,244,584	-	-	-	100,606,341	87,164,368	917,657	221,932,950
Fiscal Services	5,837,484	-	-	-	-	-	-	5,837,484
Food Service	-	-	-	-	-	-	68,006,295	68,006,295
Central Services	17,290,410	44,413	-	-	-	-	128,384	17,463,207
Student Transportation Services	59,449,295	258,465	-	-	-	-	722,585	60,430,345
Operation of Plant	109,273,236	162	-	-	-	-	202,017	109,475,415
Maintenance of Plant	21,425,874	-	-	-	-	-	-	21,425,874
Administrative Technology Services	10,441,558	-	-	-	-	-	-	10,441,558
Community Services	10,429,971	-	-	-	-	-	465,156	10,895,127
Capital Outlay								
Facilities Acquisition and Construction	1,067,016	-	-	-	63,884,640	64,493,022	53,432	129,498,110
Other Capital Outlay	1,952,619	471,425	-	-	6,020,631	2,955,445	776,396	12,176,516
Debt Service								
Principal	16,474	-	52,012,000	-	-	-	-	52,028,474
Interest and Fiscal Charges	12	-	17,656,608	203,864	-	-	4,815	17,865,299
Total Expenditures	<u>1,091,172,038</u>	<u>20,934,127</u>	<u>69,668,608</u>	<u>203,864</u>	<u>170,511,612</u>	<u>154,612,835</u>	<u>200,633,878</u>	<u>1,707,736,962</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(65,663,825)</u>	<u>-</u>	<u>(69,297,805)</u>	<u>997,904</u>	<u>76,827,167</u>	<u>11,755,949</u>	<u>8,511,724</u>	<u>(36,868,886)</u>
OTHER FINANCING SOURCES (USES)								
Loss Recoveries	20,534,593	-	-	-	-	-	-	20,534,593
Sale of Capital Assets	-	-	-	-	-	2,897,521	-	2,897,521
Transfer In	31,823,563	-	69,264,261	3,291	-	-	-	101,091,115
Transfer Out	-	-	-	-	(45,707,720)	(55,383,395)	-	(101,091,115)
Total Other Financing Sources (Uses)	<u>52,358,156</u>	<u>-</u>	<u>69,264,261</u>	<u>3,291</u>	<u>(45,707,720)</u>	<u>(52,485,874)</u>	<u>-</u>	<u>23,432,114</u>
Net Change in Fund Balance	<u>(13,305,669)</u>	<u>-</u>	<u>(33,544)</u>	<u>1,001,195</u>	<u>31,119,447</u>	<u>(40,729,925)</u>	<u>8,511,724</u>	<u>(13,436,772)</u>
Fund Balance, Beginning	242,960,829	-	94,119	26,906,721	497,857,424	234,888,128	42,244,806	1,044,952,027
Fund Balance, Ending	<u>\$ 229,655,160</u>	<u>\$ -</u>	<u>\$ 60,575</u>	<u>\$ 27,907,916</u>	<u>\$ 528,976,871</u>	<u>\$ 194,158,203</u>	<u>\$ 50,756,530</u>	<u>\$ 1,031,515,255</u>

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

**THE SCHOOL DISTRICT OF LEE COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2025**

Net change in fund balances- governmental funds \$ (13,436,772)

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

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital outlays net of noncapitalized outlays, and other additions exceed depreciation expense in the current period.

Capital outlays	\$ 148,100,600	
Depreciation expense	<u>(51,426,697)</u>	96,673,903

In the governmental funds, the cost of capital assets was recognized as an expenditure in the year purchased. Thus, the change in net position differs from the change in fund balance by the undepreciated cost of the disposed assets. (2,742,400)

Debt proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not effect the statement of net position. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities.

Amortization-net	4,452,392	
Repayments	<u>52,028,474</u>	56,480,866

The District has recorded vested utility interest revenue in the government-wide statements that does not meet the earned criterion for recognition in the fund financial statements. 888,273

The net change in the early retirement benefit program liability is reported in the government-wide statements, but not in the governmental fund statements. 28,000

In the governmental funds, interest on long-term debt is recorded as an expenditure when due and payable. In the statement of activities, interest is recorded as it accrues. This is the decrease in accrued interest payable. (1,361)

In the statement of activities, the cost of compensated absences is measured by the amounts earned during the year, while in the governmental funds expenditures are recognized based on the amounts actually paid for compensated absences. This is the net amount of compensated absences earned in excess of the amount paid in the current period. (5,422,390)

The net change in the liability for postemployment health benefits is reported in the government-wide statements, but not in the governmental fund statements.

OPEB contribution	(549,608)	
OPEB expense	<u>(202,950)</u>	(752,558)

Governmental funds report District pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as a pension expense.

FRS Pension contribution	54,731,165	
HIS Pension contribution	12,338,744	
FRS Pension expense	(53,973,322)	
HIS Pension expense	<u>(8,245,611)</u>	4,850,976

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds of the District. The change in net position of the internal service funds, of \$(5,252,974) is reported with governmental activities. This includes \$1,946 in compensated absences included above. The net amount is as follows:

(5,254,920)

Change in net position of governmental activities \$ 131,311,617

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

**THE SCHOOL DISTRICT OF LEE COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	General Fund			Variance with Final Budget - Under (Over)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Federal Direct Sources	\$ 2,613,000	\$ 2,613,000	\$ 2,447,653	\$ 165,347
Federal Through State Sources	2,023,000	2,063,974	1,732,473	331,501
State Sources	363,096,712	378,011,893	373,494,928	4,516,965
Local Sources				
Taxes	583,260,698	583,260,698	584,253,859	(993,161)
Miscellaneous	31,231,110	36,498,192	63,579,300	(27,081,108)
Total Revenues	982,224,520	1,002,447,757	1,025,508,213	(23,060,456)
EXPENDITURES				
Current				
Instruction	742,123,831	750,873,177	650,706,505	100,166,672
Student Support Services	56,729,226	54,135,511	49,446,462	4,689,049
Instructional Media Services	5,275,978	4,722,699	4,485,055	237,644
Instruction and Curriculum Development Services	14,432,985	14,185,895	13,554,676	631,219
Instructional Staff Training Services	12,538,290	13,377,090	12,053,306	1,323,784
Instruction Related Technology	11,297,571	11,215,266	11,081,107	134,159
Board	31,267,790	3,269,687	2,949,893	319,794
General Administration	7,013,656	7,424,117	6,200,282	1,223,835
School Administration	70,755,394	72,215,577	70,266,219	1,949,358
Facilities Services	51,545,561	60,255,604	33,244,584	27,011,020
Fiscal Services	6,529,000	6,451,833	5,837,484	614,349
Central Services	17,634,203	20,463,182	17,290,410	3,172,772
Student Transportation Services	64,427,039	65,491,029	59,449,295	6,041,734
Operation of Plant	116,911,872	118,535,902	109,273,236	9,262,666
Maintenance of Plant	22,817,508	22,325,815	21,425,874	899,941
Administrative Technology Services	10,876,533	11,257,896	10,441,558	816,338
Community Services	17,816,256	13,819,103	10,429,971	3,389,132
Capital Outlay				
Facilities Acquisition and Construction	-	4,054,032	1,067,016	2,987,016
Other Capital Outlay	-	8,833,733	1,952,619	6,881,114
Debt Service				
Principal	-	16,486	16,474	12
Interest and Fiscal Charges	-	-	12	-
Total Expenditures	1,259,992,693	1,262,923,634	1,091,172,038	171,751,608
Excess (Deficiency) of Revenues Over (Under) Expenditures	(277,768,173)	(260,475,877)	(65,663,825)	(194,812,064)
OTHER FINANCING SOURCES				
Loss Recoveries	31,087	5,310,799	20,534,593	(15,223,794)
Transfer In	43,136,000	49,074,779	31,823,563	17,251,216
Total Other Financing Sources	43,167,087	54,385,578	52,358,156	2,027,422
Net Change in Fund Balance	(234,601,086)	(206,090,299)	(13,305,669)	(192,784,642)
Fund Balance, Beginning	244,960,073	242,960,829	242,960,829	53,191,659
Fund Balance, Ending	\$ 10,358,987	\$ 36,870,530	\$ 229,655,160	\$ (139,592,983)

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

**THE SCHOOL DISTRICT OF LEE COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE FUND - FEDERAL EDUCATION STABILIZATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Federal Education Stabilization			Variance with Final Budget - Under (Over)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Federal Through State Sources:				
Other Federal Through State Grants	\$ 21,542,091	\$ 20,934,010	\$ 20,934,127	\$ (117)
Total Federal Through State Sources	<u>21,542,091</u>	<u>20,934,010</u>	<u>20,934,127</u>	<u>(117)</u>
 Total Revenues	 <u>21,542,091</u>	 <u>20,934,010</u>	 <u>20,934,127</u>	 <u>(117)</u>
EXPENDITURES				
Current				
Instruction	17,910,792	16,755,535	16,755,536	(1)
Student Support Services	579,040	410,159	410,159	-
Instructional Media Services	-	44	44	-
Instruction and Curriculum Development Services	199,191	431,472	431,472	-
Instructional Staff Training Services	1,134,971	1,039,720	1,039,720	-
Instruction Related Technology	9,022	63,373	63,373	-
General Administration	884,115	1,235,323	1,235,323	-
School Administration	154,144	224,035	224,035	-
Facilities Services	127,968	-	-	-
Central Services	238,965	44,413	44,413	-
Student Transportation Services	284,717	258,465	258,465	-
Operation of Plant	4,987	162	162	-
Administrative Technology Services	2,698	-	-	-
Community Services	11,481	-	-	-
Capital Outlay				
Facilities Acquisition and Construction	-	127,923	-	127,923
Other Capital Outlay	-	343,547	471,425	(127,878)
 Total Expenditures	 <u>21,542,091</u>	 <u>20,934,171</u>	 <u>20,934,127</u>	 <u>44</u>
Excess of Revenues Over Expenditures	<u>-</u>	<u>(161)</u>	<u>-</u>	<u>(161)</u>
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	<u>\$ -</u>	<u>\$ (161)</u>	<u>\$ -</u>	<u>\$ 161</u>

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

THE SCHOOL DISTRICT OF LEE COUNTY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
 June 30, 2025

	Governmental Activities- Internal Service Funds
ASSETS	
Current Assets	
Cash	\$ 1,419,354
Investments	103,785,994
Accounts Receivable	3,719,022
Due from Governmental Funds	14,129,731
Total Current Assets	123,054,101
Noncurrent Assets	
Restricted Cash with Fiscal Agent	300,000
Total Noncurrent Assets	300,000
Total Assets	123,354,101
LIABILITIES	
Current Liabilities	
Accounts Payable	41,885
Unearned Revenue	12,563,292
Estimated Insurance Claims Payable	16,326,905
Liability for Compensated Absences	29,534
Total Current Liabilities	28,961,616
Noncurrent Liabilities	
Estimated Insurance Claims Payable	9,613,300
Total Liabilities	38,574,916
NET POSITION	
Restricted for Claims	300,000
Unrestricted	84,479,185
Total Net Position	\$ 84,779,185

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

**THE SCHOOL DISTRICT OF LEE COUNTY
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2025**

	Governmental Activities- Internal Service Funds
OPERATING REVENUES	
Premium Revenue	\$ 156,928,570
Other Operating Revenues	22,801
	156,951,371
Total Operating Revenues	156,951,371
OPERATING EXPENSES	
Salaries	319,523
Employee Benefits	159,147
Purchased Services	24,146,805
Insurance Claims	140,023,313
	164,648,788
Total Operating Expenses	164,648,788
Operating Loss	(7,697,417)
NONOPERATING REVENUES (EXPENSES)	
Interest Income	2,444,443
	2,444,443
Total Nonoperating Revenues (Expenses)	2,444,443
Changes in Net Position	(5,252,974)
Net Position - July 1, 2024	90,032,159
Net Position - June 30, 2025	\$ 84,779,185

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

**THE SCHOOL DISTRICT OF LEE COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2025**

	Governmental Activities- Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers, Users and Participants	\$ 160,233,610
Cash Payments to Suppliers for Goods and Services	(24,235,720)
Cash Payments to Employees for Services	(480,616)
Cash Payments for Insurance Claims	(138,722,355)
	<u>(3,205,081)</u>
Net Cash provided by Operating Activities	<u>(3,205,081)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Pooled Investments	(6,375,679)
Interest on Investments	2,444,443
	<u>(3,931,236)</u>
Net Cash used by Investing Activities	<u>(3,931,236)</u>
Net Decrease in Cash	(7,136,317)
Cash, Beginning	<u>8,855,671</u>
Cash, Ending	<u>\$ 1,719,354</u>
Reconciliation of Operating Loss to Net Cash provided by Operating Activities	
Operating Loss	\$ (7,697,417)
Adjustments to Reconcile Operating Income to Net Cash provided by Operating Activities:	
Change in Assets and Liabilities:	
Increase in Accounts Receivable	(641,093)
Decrease in Due from Governmental Funds	1,936,859
Increase in Accounts Payable	(12,514)
Decrease in Unearned Revenue	1,986,474
Increase in Estimated Insurance Claims Payable	1,222,611
Total Adjustments	<u>4,492,337</u>
Net Cash provided by Operating Activities	<u>\$ (3,205,080)</u>

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

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES

Reporting Entity

The District School Board of Lee County (Board) has direct responsibility for operation, control, and supervision of the School District of Lee County (District) and is considered a primary government for financial reporting. The District is part of the Florida system of public education under the general direction of the State Board of Education. The governing body of the District is the Board, which is composed of seven elected members. The appointed Superintendent of Schools (Superintendent) is the executive officer of the District. The general operating authority of the Board and the Superintendent is contained in Chapters 1000-1013, Florida Statutes. Geographic boundaries of the District correspond with those of Lee County, Florida.

Pursuant to Section 1010.51, Florida Statutes, the Superintendent is responsible for keeping records and accounts of all financial transactions in the manner prescribed by the State Board of Education.

For financial reporting purposes, the accompanying financial statements include all of the operations over which the District is financially accountable. The District is financially accountable for organizations that make up its legal entity, as well as legally separate organizations that meet certain criteria. In accordance with the criteria for inclusion in the reporting entity involve those cases where the District or its officials appoint a voting majority of an organization's governing body and is either able to impose its will on the organization and there is a potential for the organization to provide specific financial benefits to or to impose specific financial burdens on the District or the nature and significance of the relationship between the District and the organization is such that exclusion would cause the District's financial statements to be incomplete. Based on the application of these criteria, District management has determined that the following five charter schools are not component units: Florida Southwestern Collegiate High School, Oasis Elementary School South, Oasis Middle School, Oasis

Elementary School North, and Oasis High School.

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

Blended Component Unit – Leasing Corporation

The Lee County School Board Leasing Corporation (Leasing Corporation) was formed on December 17, 2003, to facilitate financing for the acquisition of facilities and equipment. Additionally, the Corporation is legally separate from the District and the governing board of the Leasing Corporation is the District School Board. Therefore, the financial activities of the Leasing Corporation have been blended (reported as if it were part of the District) with those of the District. Separate financial statements for the Leasing Corporation are not published.

Discretely Presented Component Unit – Foundation

The Foundation for Lee County Public Schools, Inc., (Foundation) was formed for the purpose of improving the quality of education by increasing community involvement with and support for Lee County schools. Although the District does not control the timing or amount of receipts from the Foundation, the majority of resources (or incomes thereon) that the Foundation holds and invests are restricted to the activities of the District by the donors.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

Because these restricted resources held by the Foundation can only be used for the benefit of the District, the Foundation is considered a component unit of the District and is discretely presented in the District's financial statements. An annual audit of the Foundation's financial statements is conducted by an independent certified public accountant and is filed in the District's administrative office.

Discretely Presented Component Units – Charter Schools

At fiscal year-end there were sixteen charter schools operating within the District that met the criteria for presentation as a discretely presented component unit. All charter schools are separate, not-for-profit corporations organized and operated as charter schools under Section 1002.33, Florida Statutes, to enhance the education of the Lee County students attending these schools. Charter Schools do not have the constitutional authority to levy taxes, making charter schools fiscally dependent on the District. Pursuant to Florida Statutes section 1002.33(17) students enrolled in a charter school shall be funded the same as students enrolled in other public schools in the District. The charter schools' full-time equivalent (FTE) student enrollment is the basis for the District to provide funding to the charter schools. The financing of charter schools imposes a financial burden on the District. Because charter schools are fiscally dependent and create a financial burden on the District, charter schools are considered component units of the District. Audits were performed for each Charter School for the year ended, by independent certified public accountants and are on file at the District's administrative office.

The sixteen component unit charter schools in operation at fiscal year-end are listed below:

Athenian Academy Charter School - The school's charter was granted January 9, 2018, for a grade K-8 school. As of June 30, 2025, the school was a grade K-8 school. The school is located in Fort Myers, Florida.

Bonita Springs Charter School – The school's charter was granted December 18, 2001, for a grade K-8 school. As of June 30, 2025, the school was a grade K-8 school. The school is located in Bonita Springs, Florida.

City of Palms Charter High School, Inc. – The school's charter was granted October 25, 2005, for a grade 9-12 school. As of June 30, 2025, the school was a grade 9-12 school. The school is located in Fort Myers, Florida.

Coronado High School – The school's charter was granted October 23, 2007, for a grade 9-12 school. As of June 30, 2025, the school was a grade 9-12 school. The school is located in Fort Myers, Florida.

DJB Technical Academy, Inc. - The school's charter was granted March 12, 2013, for a grade 9-12 school. As of June 30, 2025, the school was a grade 9-12 school. The school is located in Fort Myers, Florida.

Gateway Charter School – The school's charter was granted August 20, 2002, for a grade K-12 school. As of June 30, 2025, the school was a grade K-12 school. The school is located in Fort Myers, Florida.

The Heights Charter School – The school's charter was granted December 08, 2015, for a grade K-3 school. As of June 30, 2025, the school was a grade K-3 school. The school is located in Fort Myers, Florida.

Heritage Charter School, Inc. – The school's charter was granted May 3, 2011, for a grade K-8 school. As of June 30, 2025, the school was a grade K-8 school. The school is located in Cape Coral, Florida.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

Island Park Charter High School, Inc. – The school’s charter was granted April 01, 2014, for a grade 9-12 school. As of June 30, 2025, the school was a grade 9-12 school. The school is located in Fort Myers, Florida.

The Island School, Inc. - The school’s charter was granted May 2, 2000, for a grade K-8 school. As of June 30, 2025, the school was a grade K-5 school. The school is located in Boca Grande, Florida.

Mid Cape Global Academy – The school’s charter was granted August 20, 2002, for a grade K-8 school. As of June 30, 2025, the school was a grade K-8 school. The school is located in Cape Coral, Florida.

Northern Palms Charter High School - The school’s charter was granted April 28, 2015, for a grade 9-12 school. As of June 30, 2025, the school was a grade 9-12 school. The school is located in North Fort Myers, Florida.

North Nicholas High School - The school’s charter was granted October 23, 2007, for a grade 9-12 school. As of June 30, 2025, the school was a grade 9-12 school. The school is located in Cape Coral, Florida.

Oak Creek Charter School of Bonita Springs, Inc. – The school’s charter was granted September 23, 2008, for a grade K-8 school. As of June 30, 2025, the school was a grade K-8 school. The school is located in Bonita Springs, Florida.

Palm Acres Charter High School, Inc. – The school’s charter was granted March 11, 2014, for a grade 9-12 school. As of June 30, 2025, the school was a grade 9-12 school. The school is located in Lehigh Acres, Florida.

Six Mile Charter Academy – The school’s charter was granted August 10, 2004, for a grade K-8 school. As of June 30, 2025, the school was a grade K-8 school. The school is located in Fort Myers, Florida.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities* that rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the District is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function (i.e., food service fees, student fees, print fees, and transportation fees), and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function (e.g., Federal food service, transportation, and Public Education Capital Outlay [PECO] grants). Taxes and other items not properly included among program revenues are reported instead as *general revenue*.

The effects of interfund activities have been eliminated from the government-wide financial statements except for interfund services provided and used. Interfund transactions include transactions involving the internal service

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

funds. These transactions were eliminated by allocating the change in net position of internal services funds in direct proportion as they were charged as expenses to the various functions/programs.

Fund financial statements report detailed information about the District in the governmental and proprietary funds. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Nonmajor funds are aggregated and reported in a single column. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, reconciliation is presented with each of the governmental fund financial statements.

The District reports the following major governmental funds:

- *General Fund* is the District's primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund.
- *Special Revenue Fund – Federal Education Stabilization* accounts for certain Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act funding provided as emergency relief to school districts to address the impact of the COVID-19 on elementary and secondary schools.
- *Debt Service Fund – Certificates of Participation* accounts for the resources accumulated and payments made for principal, interest, and related costs on the long-term Certificates of Participation.
- *Debt Service Fund – ARRA Economic Stimulus* accounts for the accumulation of resources for the payment of debt principal, interest and related costs on the Qualified School Construction Bonds.
- *Capital Projects Fund – Local Capital Improvement Tax* accounts for the resources used for the acquisition or construction of major capital facilities financed through tax levies pursuant to Section 1011.71(2), Florida Statutes.
- *Capital Projects Fund – Certificates of Participation/Impact Fees/State Grants* accounts for the resources used for the acquisition or construction of major capital facilities financed through certificates of participation, impact fees, and state capital grant proceeds.

Additionally, the District reports the following proprietary fund type:

- *Internal Service Funds* account for the self-insurance programs.

Separate financial statements are provided for governmental funds, and proprietary funds.

Measurement Focus, Basis of Accounting, and Financial Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility or expenditure requirements imposed by the provider have been met.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

Governmental fund financial statements, which include the General, Special Revenue, Debt Service, and Capital Projects funds, are prepared using the *current financial resource measurement focus* and the *modified accrual basis of accounting*. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred. The principal exceptions to this general rule are: (a) principal and interest on general long-term debt is recognized as expenditures when due; and (b) claims and judgments and compensated absences are recognized when due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources. Allocations of cost, such as depreciation, are not recognized in governmental funds.

Revenues can be classified into two kinds of transactions: (a) exchange and exchange-like transactions, in which each party receives and gives up essentially equal value and (b) nonexchange transactions, in which a government gives (or receives) value without directly receiving (or giving) equal value in exchange.

Revenue resulting from exchange transactions is recorded on the accrual basis when the exchange takes place. Revenues resulting from nonexchange transactions are further classified into (a) derived tax revenues, (b) imposed nonexchange revenues, (c) government-mandated nonexchange transactions, and (d) voluntary nonexchange transactions. Derived tax revenues (i.e., sales tax) are recorded when the exchange transaction occurs. The District currently does not have any derived tax revenues. Imposed nonexchange transactions (i.e., property taxes) are recorded when use of the resource is required or first permitted by time requirement (for example, for property taxes, the period for which they are levied). Government-mandated and voluntary nonexchange transactions (i.e., Federal mandates, grants, and donations) are recorded when all eligibility requirements have been met.

When applying the susceptible to accrual concept under the modified accrual basis, resources also should be available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. The District considers property taxes to be available if they are collected within 60 days of the end of the current fiscal year. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenue is recognized at the time the expenditure is made.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service funds are charges for employee health insurance premiums. Operating expenses for internal service funds include insurance claims and excess coverage premiums, and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Each of the charter schools, included as discretely presented component units, are accounted for as governmental organizations and follow the same accounting model as the District's governmental activities.

The Foundation for Lee County Public Schools, Inc., shown as a discretely presented component unit, is accounted for using the accrual basis of accounting, whereby revenues are recognized when earned and expenditures are recognized when incurred.

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Budgetary Basis Accounting

The following procedures, established by State Statutes and State Board of Education rules, are used by the Board in setting up final budget balances reported on the financial statements:

- Budgets are prepared, public hearings are held, and original budgets are adopted annually for all governmental fund types in accordance with procedures and time intervals prescribed by law and State Board of Education rules.
- Appropriations are controlled at the function level (e.g., instruction, student personnel services, and school administration) and may be amended by resolution at any Board meeting prior to the due date for the Annual Financial Report. This function level is the legal level of budgetary control.
- Budgets are prepared using the same modified accrual basis as is used to account for governmental funds.

Budgetary information is integrated into the accounting system and, to facilitate budget control, budget balances are encumbered when purchase orders are issued. Appropriations lapse at year-end and encumbrances outstanding are honored from the subsequent year's appropriations. During the fiscal year ended June 30, 2025, budgets for all governmental fund types were amended to reflect adjustments to appropriations due to changes in student counts, the addition of new education programs, and other events.

Cash

Banks qualified as public depositories under Florida law hold cash deposits. All deposits are insured by Federal depository insurance, up to specified limits, and/or collateralized with securities held in Florida's multiple financial institution collateral pool required by Chapter 280, Florida Statutes. The Statement of Cash Flows considers cash as those accounts used as demand deposit accounts.

Cash balances from all funds are combined and invested to the extent available. Earnings are allocated monthly to each fund based on a rolling monthly average balance of cash and investments.

Restricted Cash with Fiscal Agent

Self-insurance funds are required to establish and maintain prescribed amounts of resources (consisting of cash) that can be used only to pay insurance claims.

Investments

Investments are stated at fair value, based on quoted market prices or recognized pricing sources. The investment earnings are allocated to each fund based on a rolling monthly average investment balance in that fund. Investments consist of direct obligations of the United States Treasury, corporate notes, money market funds, municipal obligations, amounts placed and amounts placed for participation in the Florida PRIME, Florida Cooperative Liquid Asset Security System (FLCLASS), Florida Public Assets for Liquidity Management (FLPALM) and Florida Fixed Income Trust (FL-FIT) investment pools created by Sections 218.405 and 218.417,

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Florida Statutes. These investment pools operate under investment guidelines established by Section 215.47, Florida Statutes.

The District's investments in Florida PRIME and FLPALM which are Securities and Exchange Commission Rule 2a7-like external investment pools, as of June 30, 2025, are similar to money market funds in which shares are owned in the fund rather than the underlying investments. These investments are reported at fair value, which is amortized cost.

Types and amounts of investments held at fiscal year-end are described in a subsequent note on investments.

Fair Value Measurement

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

Inventory

Inventories consist of expendable supplies held for consumption in the course of District operations. Inventories are stated at cost using the average cost method for the central stores, maintenance, transportation, and food service inventories and at last invoice price, which approximates the first-in, first-out basis, for the print shop and media/textbook inventories. United States Department of Agriculture donated foods are recorded at the value established by the Bureau of Food Distribution, Florida Department of Agriculture and Consumer Services using the average cost method. The costs of inventories are recorded as expenditures when used (the consumption method) rather than purchased. The inventories at year-end are reported as non-spendable fund balance.

Prepaid Items

Expenditures for goods and services that have not been consumed or used at year end. The expenditure will be recorded when the asset is used (consumption method). Accordingly, prepaid expenses are equally offset by a non-spendable fund balance classification.

Capital Assets

Expenditures for capital assets acquired or constructed for general District purposes are reported in the governmental funds that financed the acquisition or construction. The capital assets so acquired are reported at cost in the governmental activities column on the government-wide financial statements but are not reported in the governmental fund financial statement. The District defines capital assets as assets with an initial individual cost of \$5,000 or more. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated assets are recorded at estimated acquisition value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Interest costs incurred during construction of capital assets are not considered material and are not capitalized as part of the cost of construction.

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

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<u>Assets</u>	<u>Years</u>
Improvements Other than Buildings	10-40
Buildings	10-50
Motor Vehicles	5-10
Furniture, Fixtures and Equipment	3-15
Audio Visual Materials	3-5
Software	5

Current year information relative to changes in capital assets is described in a subsequent note.

Leases

Leases are defined by the District as the right to use an underlying asset. As lessee, the District recognizes a lease liability and an intangible right-of-use lease asset at the beginning of a lease unless the lease is considered a short-term lease or transfers ownership of the underlying asset. Right-of-use lease assets are measured based on the net present value of the future lease payments at inception, using the weighted average cost of capital, which approximate the incremental borrowing rate. Remeasurement of a lease liability occurs when there is a change in the lease term and/or other changes that are likely to have a significant impact on the lease liability.

The District calculates the amortization of the discount on the lease liability and report that amount as outflows of resources. Payments are allocated first to accrued interest liability and then to the lease liability. Variable lease payments based on the usage of the underlying assets are not included in the lease liability calculations but are recognized as outflows of resources in the period in which the obligation was incurred.

As lessor, the District recognizes a lease receivable. The lease receivable is measured using the net present value of future lease payments to be received for the lease term and deferred inflow of receivables at the beginning of the lease term. Periodic amortization of the discount on the receivable are reported as interest revenue for that period. Deferred inflows of resources are recognized as inflows on a straight-line basis over the term of the lease. This recognition does not apply to short-term leases, contracts that transfer ownership, leases of assets that are investments, or certain regulated leases. Any initial direct costs are reported as an outflow of resources for that period. Re-measurement of lease receivables occur when there are modifications, including but not limited to changes in the contract price, lease term, and adding or removing an underlying asset to the lease agreements. In the case of a partial or full lease termination, the carrying value of the lease receivable and the related deferred inflow of resources will be reduced and will include a gain or loss for the difference.

For lease contracts that are short term, the District recognizes short term lease payments as inflows of resources (revenues) based on the payment provisions of the lease contract. Liabilities are only recognized if payments are received in advance, and receivables are only recognized if payments are received subsequent to the reporting period.

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Unearned Revenues

Unearned revenues represent revenues collected in advance of services performed and will be recognized when the services are rendered.

Pensions

In the government-wide statement of net position, liabilities are recognized for the District's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liabilities, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) defined benefit plan and additions to/deductions from the FRS's and the HIS's fiduciary net position have been determined on the same basis as they are reported by the FRS and the HIS plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value. The net change in the liability for postemployment health benefits is reported in the government-wide, but not in the governmental fund statements. The net change for fiscal year 2025 is (\$752,558).

The District's retirement plans and related amounts are described in a subsequent note.

Noncurrent Liabilities and Compensated Absences

In the government-wide financial statements and proprietary fund types in the fund financial statements, noncurrent obligations are reported as liabilities in the applicable governmental activities, or proprietary fund type Statement of Net Position. Debt premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable and Certificates of Participation are reported net of the applicable premiums or discounts.

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances and payments to refunded bond escrow agents are reported as other financing uses. Issuance costs, whether or not withheld from actual debt proceeds received, are reported as debt service expenditures.

The liability for compensated absences reported in the government-wide and proprietary fund statements consist of unpaid, accumulated vacation and sick leave, including applicable salary-related amounts for Social Security, and Medicare. The liability has been calculated using the criteria under GASB Statement 101. The District examined its past experience with accumulated sick leave and estimated the amount of accumulated leave that was more likely than not to be used by employees. Accumulated vacation leave is calculated using the employees accumulated vacation leave balance. A liability for these amounts is reported in the governmental fund financial statements only if it has matured, such as for occurrences of employee resignations and retirements.

Changes in noncurrent liabilities for the current year are reported in a subsequent note.

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Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to future periods and so will *not* be recognized as an outflow of resources (expense) until then. The District has three items that qualify for reporting in this category. The first is the deferred amount on refunding. A deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second is the deferred amount on pension. A deferred amount on pension results from the difference in the expected and actual amounts of experience, earnings and contributions. This amount is deferred and amortized over the service life of all employees that are provided with pensions through the pension plan except earnings which are amortized over 5 years. The third is the deferred amount on other postemployment benefit (OPEB). A deferred amount on OPEB results from the difference in the expected and actual amounts of experience, earnings and contributions. This amount is deferred and amortized over the service life of all employees that are provided with benefits through the OPEB plan except earnings which are amortized over 11 years.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to future periods and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has four items that qualify for reporting in this category. The first is the deferred amount on refunding. A deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second is the deferred amount on pension. A deferred amount on pension results from the difference in the expected and actual amounts of experience, earnings, and contributions. This amount is deferred and amortized over the service life of all employees that are provided with pensions through the pension plan except earnings which are amortized over 5 years. The third is the deferred amount on other postemployment benefit (OPEB). A deferred amount on OPEB results from the difference in the expected and actual amounts of experience, earnings and contributions. This amount is deferred and amortized over the service life of all employees that are provided with benefits through the OPEB plan except earnings which are amortized over 11 years. The fourth is the deferred amount on lease receivables. In governmental funds, revenues not received within sixty days of the year-end are deferred until collected as they do not meet the availability criteria. The District currently has unavailable revenue for lease receivables.

Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Balance Flow Assumptions

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted sources (the total of restricted, assigned, and unassigned fund balance). In order to calculate the amounts to report as

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restricted, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's procedure to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, assigned fund balance is depleted first followed by unassigned fund balance.

Fund Balance/Net Position

In the fund financial statements, governmental funds report constraints on the use of fund balance for amounts that are not spendable, are legally restricted by outside parties for use for a specific purpose, or have self-imposed constraints for use for a specific purpose.

Net position in the government-wide financial statements is classified as net investment in capital assets, restricted and unrestricted. Restricted net position represent constraints on resources that are either externally imposed by creditors, grantors, contributors, law and regulations of other governments, or imposed by law through State statute.

Estimates

The preparation of the financial statement in conformity with generally accepted accounting principles requires the District to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Reclassifications

Certain amounts in the discretely presented component units financial statements have been reclassified in order to be consistent with the District's presentation.

State Revenue Sources

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

The State provides financial assistance to administer certain educational programs. State Board of Education rules require that revenue earmarked for these programs be expended only for the program for which the money is provided and require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same educational programs. The Department generally requires that educational program revenues be accounted for in the General Fund. For selected programs, funds received that are not expended at the fiscal year-end are carried forward into the following year to be expended for the same

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educational programs. A portion of the fund balance of the General Fund is restricted for the balance of these educational program resources.

The State allocates gross receipts taxes, generally known as Public Education Capital Outlay money, to the District on an annual basis. The District is authorized to expend these funds only upon applying for and receiving an encumbrance authorization from the Department. Accordingly, the District recognizes the allocation of Public Education Capital Outlay funds as advanced revenue until such time as an encumbrance authorization is received. The District also received a Charter School Capital Outlay appropriation.

A schedule of revenues from State sources for the current year is presented in a subsequent note.

Property Taxes – Revenue Recognition

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

Property taxes consist of ad valorem taxes on real and personal property within the District. The Lee County Property Appraiser determines property values and the Lee County Tax Collector's office collects the property taxes.

The Board adopted the 2024 tax levy on September 05, 2024. Taxes become an enforceable lien on property as of January 1. Tax bills are mailed in October, and taxes are payable between November 1 of the year assessed and March 31 of the following year at discounts of up to four percent for early payment.

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

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

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

Capital Outlay Surtax

In November 2018, the voters of Lee County approved a one-half cent school capital outlay surtax on sales in the County for 10 years, effective January 1, 2019, to pay for the construction and renovation of school facilities,

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safety initiatives, maintenance at schools and technology projects in accordance with Section 212.055(6), Florida Statutes.

Educational Impact Fees

The District receives educational impact fees based on an ordinance adopted by the Board of County Commissioners of Lee County (County) on November 27, 2001. The fee is collected by the County for new residential construction and can only be used to provide for the acquisition of capital assets or additions to capital assets and expenditures for site acquisition, construction design, site development, necessary off-site improvements, and equipment. Educational impact fee revenues are recognized in the government-wide and governmental fund financial statements when the fees are collected by the County.

Federal Revenue Sources

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

NOTE 2: CASH AND INVESTMENTS

2-A. Cash Deposits

Florida Statutes authorize the deposit of District funds in demand deposits or time deposits of financial institutions approved by the State Treasurer and are defined as public deposits. All District public deposits are held in qualified public depositories pursuant to Chapter 280, Florida Statutes, the "Florida Security for Public Deposits Act." Under the act, all qualified public depositories are required to pledge eligible collateral having a fair value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The collateral pledging level may range from 50 percent to 125 percent depending upon the depository's financial condition and the length of time that the depository has been established. All collateral must be deposited with the State Treasurer. Any losses to public depositors resulting from insolvency are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessment against other qualified public depositories if the same type as the depository in default. All bank balances of the District are fully insured or collateralized. As of June 30, 2025, the carrying amount of the District's bank deposits was \$63,367,139 and the respective bank balances totaled \$85,318,887. The cash with fiscal agent is \$300,000.

2-B. Investments

The District's investment policy permits investments in the Florida PRIME, FL CLASS, FLPALM, FL-FIT, securities of the United States Government, U.S. Government Agencies, Federal instrumentalities, interest bearing time deposit or savings accounts, repurchase agreements, commercial paper, corporate notes, bankers' acceptances, state and/or local government debt, and money market mutual funds. The District's investment advisor used the effective duration method to calculate effective duration measures for the securities held by the District. Besides measuring the sensitivity of the securities fair value to changes in interest rates, the effective duration method accounts for any call (early redemption) features which a security may have.

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FL PALM and Florida PRIME are external investment pools that are not registered with the Securities Exchange Commission (SEC), but do operate in a manner consistent with the SEC’s Rule 2a7 off the Investment Company Act of 1940. Rule 2a7 allows funds to use amortized cost to maintain a constant net asset value (NAV) of \$1.00 per share. Accordingly, the District’s investments in both FLPALM and Florida PRIME are reported at the account balance which is amortized cost. There are no restrictions or fees to withdrawal from either of these pools.

All of the District’s recurring fair value measurements as of June 30, 2025, are valued using a matrix pricing model (Level 2 inputs).

As of June 30, 2025, the District had the following investments:

Investments by fair value level	Amount	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
External Investment Pool:				
Florida Fixed Income Trust	\$ 218,493,209	\$ -	\$ 218,493,209	\$ -
Florida Cooperative Liquid Assets Security System	252,761,953	-	252,761,953	-
United States Treasury Securities	103,551,749	-	103,551,749	-
Obligations of United States Government				
Agencies and Instrumentalities	1,883,773	-	1,883,773	-
Municipal Obligations	5,663,594	-	5,663,594	-
Notes	4,729,088	-	4,729,088	-
Total investments by fair value level	\$ 587,083,366	\$ -	\$ 587,083,366	\$ -
Investments measured at amortized cost				
External Investment Pool:				
Florida PRIME ¹	\$ 372,652,234			
Florida Public Assets for Liquidity Management	157,121,768			
Money Market Funds	64,411,813			
Total investments measured at amortized cost	594,185,815			
Total District Investments, Governmental Activities	\$ 1,181,269,181			

Note (1) At June 30, 2025, investments totaling \$ 117,275,933 were held under trust agreements in connection with Certificates of Participation, Series 2011A-QSCB, 2014A/B, 2016A, 2017A/B, 2019A, 2020A and 2023A financing agreements. (See Note 7).

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Section 218.415, Florida Statutes, limits the types of investments that a District can invest in unless specifically authorized in District policy.

2-C. Investments – Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. To limit exposure to fair value losses resulting from increases in interest rates, the District's Investment Policy limits operating funds to maturities of one year or less. Investments of reserves, project funds, debt proceeds and other non-operating funds (core funds) shall have a term appropriate to the need for funds and in accordance with debt covenants, but in no event shall exceed five (5) years and the average duration of the funds as a whole may not exceed three (3) years.

The maturity of Florida PRIME, FLCLASS, FLPALM, and FL-FIT investment pools are based on the weighted average days to maturity (WAM). A portfolio's WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the portfolio to interest rate changes. As of June 30, 2025, the WAM for Florida PRIME is 47 days, FLCLASS is 84 days, FLPALM is 44 days, FL-FIT Cash Pool is 85 days, and FL-FIT Enhanced Cash is 1 year.

2-D. Investments – Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Section 218.415(17), Florida Statutes, limits investments to the Florida PRIME Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in Section 163.01, Florida Statutes; Securities and Exchange Commission (SEC) registered money market funds with the highest credit quality rating from a nationally recognized rating agency; investments in interest-bearing time deposits to qualified public depositories, as defined in Section 280.02, Florida Statutes; and direct obligations of the United States Treasury. Investments authorized by District policy are:

- a. Florida Local Government Surplus Funds Trust Funds. As of June 30, 2025, the District had investments totaling \$372,652,234 in Florida PRIME which had an AAAM rating by Standard and Poor's and are reported at amortized cost; \$252,761,953 in FLCLASS which had an AAAM rating by Standard and Poor's and are reported at fair value; \$157,121,768 in FLPALM which had an AAAM rating by Standard and Poor's and are reported at amortized cost; and \$218,493,209 in FL-FIT which had an AA Af rating by Standard and Poor's and are reported at fair value.
- b. Direct Obligations of U.S. Treasury which are unconditionally guaranteed by the United States Government. The maximum length to maturity for direct obligations of US Treasuries shall be five (5) years from the date of purchase. As of June 30, 2025, the District held \$103,551,749 of US Treasuries which had an S&P rating of AA+ and a Moody's rating of Aa1 and Aa3.
- c. Obligations of U.S. Government agencies and instrumentalities are guaranteed by the United States Government. The maximum length to maturity for obligations of U.S. Government agencies and instrumentalities shall be five (5) years from the date of the purchase. As of June 30, 2025, the District held \$1,883,773 of obligations of U.S. Government agencies and instrumentalities which had an S&P rating of AA+ and a Moody's rating of Aa1.
- d. Corporate notes purchased for investment must be issued by corporations organized and operating within the United States or by depository institutions licensed by the United States that have a long-

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- term rating, at the time of purchase, at a minimum single A category by any two nationally recognized rating agencies. The maximum length to maturity for corporate notes shall be five (5) years from the date of purchase. As of June 30, 2025, the District held \$4,729,088 of corporate notes of which had an S&P rating between A and AA+ and a Moody's rating between Aa1 and Aa3.
- e. Municipal Obligations purchased for investment is a general obligation or revenue obligation of any state of the United States, the District of Columbia, or any territorial possession of the United States or of any political subdivision, institution, department, agency, instrumentality, or authority of any such governmental entities, that have a long-term rating, at the time of purchase, at a minimum single A category by any two nationally recognized rating agencies. The maximum length to maturity for municipal obligations shall be five (5) years from the date of purchase. As of June 30, 2025, the District held \$5,663,594 of municipal obligations of which had an S&P rating of between AA- and AAA and a Moody's rating of between Aaa and Aa3.
 - f. Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency. As of June 30, 2025, the District had investments in US Bank First American Government Obligation Class Y Money Market Funds with a fair value of \$60,571,659, which were rated AAAM by S&P, and Aaa-mf by Moody's and Fidelity Institutional Government Class I Money Market Fund with a fair value of \$3,840,154, which were rated AAAM by S&P and Aaa by Moody's.

2-E. Investments – Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The District's investment policy requires that all securities, with the exception of certificates of deposit, be held with a third party custodian; and all securities purchased by, and all collateral obtained by the District should be properly designated as an asset of the District. The securities must be held in an account separate and apart from the assets of the financial institution. A third party custodian is defined as any bank depository chartered by the Federal Government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida as defined in § 658.12, F.S., or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in the State of Florida. Certificates of deposit will be placed in the provider's safekeeping department for the term of the deposit. Security transactions between a broker/dealer and the custodian involving the purchase or sale of securities by transfer of money or securities are made on a "delivery vs. payment" basis, if applicable, to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction. As of June 30, 2025, the District's investment portfolio was held with a third-party custodian.

Funds held by US Bank First American Government Obligation Class Y Money Market Fund are held pursuant to a trust agreement in connection with the issuance of various Certificates of Participation.

2-F. Investments – Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District's Investment Policy specifies the maximum percentage allocation to any single investment type as well as the maximum percentage holding per issuer. Up to 100 percent of the portfolio may be invested in U.S. Government securities, 75 percent may be invested in Federal Instrumentalities (US government

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
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sponsored agencies) with no more than 25 percent with a single issuer and 50 percent may be invested in US government agencies with no more than 10 percent with a single issuer. Corporate Notes are limited to 20 percent of the portfolio with no more than 5 percent with a single issuer. Commercial Paper is limited to 25 percent of the portfolio with no more than 5 percent with a single issuer.

As of June 30, 2025, all District investments were in compliance with the District’s Investment Policy and did not exceed portfolio allocation or issuer maximums.

NOTE 3: DUE FROM OTHER AGENCIES

The majority of receivables are due from other agencies. These receivables and the remaining accounts receivable are considered to be fully collectable. As such, no allowance for uncollectible accounts receivable is recorded. At June 30, 2025, the District has recorded due from other agencies as follows:

	General Fund	Debt Service Fund ARRA Economic Stimulus	Capital Projects- Local Capital Improvement Tax Fund	Capital Projects Fund Certificates of Participation/ Impact Fees/ State Grants	Special Revenue Fund Federal Education Stabilization	Nonmajor Governmental Funds	Total
Federal and State Sources							
Medicaid	\$ 1,462,532	-	-	-	-	-	\$ 1,462,532
CO - DS	-	-	-	-	-	4,457,863	4,457,863
Safe & Secur Sch Bldg Taps	-	-	-	1,470,966	-	-	1,470,966
Grants and Entitlements	506,651	-	-	-	-	1,561,263	2,067,914
Internal Revenue Service	-	639,284	-	-	-	-	639,284
Motor Vehicle License Tax	78,460	-	-	-	-	-	78,460
Public Education Capital Outlay	-	-	-	-	-	4,999,205	4,999,205
Meal Claims	-	-	-	-	-	893,632	893,632
Misc Federal-Direct	-	-	-	-	-	231,678	231,678
Local Sources							
Sales Tax	-	-	-	12,848,382	-	-	12,848,382
Impact fees	-	-	-	7,681,988	34,630	-	7,716,618
Other	-	-	-	227,158	-	7,122,671	7,349,829
Total	\$ 2,047,643	\$ 639,284	\$ -	\$ 22,228,494	\$ 34,630	\$ 19,266,312	\$ 44,216,363

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THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
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NOTE 4: CONSTRUCTION AND OTHER CONTRACT COMMITMENTS

Construction Commitments

The following is a summary of major construction commitments as of June 30, 2025.

PROJECTS	ORIGINAL CONTRACT	COMPLETED TO DATE 6/30/2025	BALANCE COMMITTED 6/30/2025
HVAC Cypress Lake High # 2148			
Contractor (HVAC Renovation Project)	28,246,306.84	3,012,280.76	25,234,026.08
Other	5,198,082.02	5,510.00	5,192,572.02
East Zone-Innovation School #7066			
Contractor	414,000.00	249,879.40	164,120.60
Other	7,826,767.00	2,445,298.77	5,381,468.23
Franklin Park Elem #7068			
Contractor	64,114,150.19	56,675,165.78	7,438,984.41
Other	19,031,599.27	13,174,122.08	5,857,477.19
VPAA remodel #7169/7171			
Contractor	13,125,094.44	13,125,094.44	-
Other	1,774,702.72	1,713,464.66	61,238.06
Hector Cafferata rebuild #7071			
Contractor	110,456,952.00	25,531,457.19	84,925,494.81
Other	129,780.91	104,218.95	25,561.96
Cypress Lake Middle rebuild #7072			
Contractor	85,575,942.31	12,515,434.21	73,060,508.10
Other	11,319,317.76	4,771,604.36	6,547,713.40
East High #7083			
Contractor	303,615.00	132,543.08	171,071.92
Other	6,429,854.00	1,648,710.02	4,781,143.98
East Middle #7170			
Contractor	310,000.00	279,102.71	30,897.29
Other	6,507,319.20	2,006,030.19	4,501,289.01
Ft Myers Beach Elem rebuild #7221			
Contractor	5,202,858.91	5,202,858.91	-
Other	524,517.31	490,552.56	33,964.75
RHS Remodel #7255			
Contractor	42,355,105.27	33,167,047.33	9,188,057.94
Other	63,226,650.30	53,909,576.37	9,317,073.93
CCTC Remodel #7259			
Contractor	20,566,929.99	548,708.24	20,018,221.75
Other	3,024,320.21	934,646.29	2,089,673.92
G. Weaver Hipps Pre K #7268			
Contractor	12,159,622.50	12,159,622.50	-
Other	4,102,650.76	3,357,963.23	744,687.53
Various school projects	17,324,992.21	5,086,137.77	12,238,854.44
Land Purchases	18,280.00	18,280.00	-
Various school renovations	10,563,390.30	5,054,288.41	5,509,101.89
School Security Upgrades	17,500.24	17,500.24	-
Total	539,850,301.66	257,337,098.45	282,513,203.21

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 JUNE 30, 2025

Encumbrances

Appropriations in governmental fund types are encumbered upon issuance of purchase orders for goods and/or services. Even though appropriations lapse at the end of the fiscal year, unfilled purchase orders of the current year are carried forward and the next year's appropriations are likewise encumbered. The District uses encumbrance accounting for recording purchase order commitments for goods and services. At June 30, 2025, the District has recorded encumbrances as follows:

Funds	Encumbrances
Major Funds:	
General	\$ 23,989,035
Capital Projects:	
Local Capital Improvement Tax	268,515,277
Certificates of Participation/Impact	
Fees/State Grants	103,023,924
Non-major Governmental Funds	834,340
 Total	 \$ 396,362,576

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THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 5: CAPITAL ASSETS

Capital asset balances and activities for the fiscal year ended June 30, 2025, were as follows:

	Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025
Governmental Activities:				
<i>Capital Assets not being depreciated</i>				
Land	\$ 195,127,465	\$ 84,651	\$ (2,034,159)	\$ 193,177,957
Construction in Progress	182,190,056	132,466,375	(57,319,332)	257,337,099
Total Capital Assets not being depreciated	<u>377,317,521</u>	<u>132,551,026</u>	<u>(59,353,491)</u>	<u>450,515,056</u>
<i>Capital Assets being depreciated/amortized</i>				
Improvements other than Buildings	58,735,357	1,369,207	(86,993)	60,017,571
Buildings	1,683,919,105	58,473,853	-	1,742,392,958
Furniture, Fixtures and Equipment	53,097,001	8,531,671	(7,182,897)	54,445,775
Intangible right to use, Furniture, Fixtures and Equipment	107,672	-	(93,714)	13,958
Motor Vehicles	107,449,770	4,494,175	(3,051,938)	108,892,007
Audio Visual Materials	37,149	-	(5,990)	31,159
Software	25,841,070	-	-	25,841,070
Total Capital Assets being depreciated/amortized	<u>1,929,187,124</u>	<u>72,868,906</u>	<u>(10,421,532)</u>	<u>1,991,634,498</u>
<i>Less accumulated depreciation/amortization for:</i>				
Improvements other than Buildings	29,522,986	1,200,252	(3,731)	30,719,507
Buildings	750,731,959	35,116,045	-	785,848,004
Furniture, Fixtures and Equipment	34,604,010	6,070,634	(6,584,382)	34,090,262
Intangible right to use, Furniture, Fixtures and Equipment	89,808	16,384	(93,714)	12,478
Motor Vehicles	69,969,364	7,886,496	(3,025,474)	74,830,386
Audio Visual Materials	18,819	4,439	(5,990)	17,268
Software	20,276,504	1,132,447	-	21,408,951
Total accumulated depreciation/amortization	<u>905,213,450</u>	<u>51,426,697</u>	<u>(9,713,291)</u>	<u>946,926,856</u>
Capital Assets being depreciated/amortized, Net	<u>1,023,973,674</u>	<u>21,442,209</u>	<u>(708,241)</u>	<u>1,044,707,642</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,401,291,195</u>	<u>\$ 153,993,235</u>	<u>\$ (60,061,732)</u>	<u>\$ 1,495,222,698</u>

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
 NOTES TO THE BASIC FINANCIAL STATEMENTS
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Depreciation/amortization expense was charged to Governmental Functions as follows:

Governmental Function	Amount
Instruction	\$ 779,179
Student Support Services	5,342
Instructional Media Services	101
Instruction and Curriculum Development Services	6,177
Instructional Staff Training Services	2,835
Instruction Related Technology	7,316
School Administration	20,979
Facilities Services	49,569,529
Fiscal Services	531
Food Services	614,345
Central Services	41,722
Student Transportation Services	122,753
Operation of Plant	13,713
Maintenance of Plant	203,114
Administrative Technology Services	8,090
Community Services	30,971
 Total Depreciation Amortization Expense- Governmental Functions	 \$ 51,426,697

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 6: INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The following is a summary of interfund receivables and payables in the fund financial statements:

Funds	Interfund Receivable	Interfund Payable
Major Funds		
General	\$ 33,552,648	\$ 15,170,670
Special Revenue:		
Federal Education Stabilization	-	473,686
Capital Projects:		
Local Capital Improvement Tax	380,768	23,487,053
Certificates of Participation/Impact		
Fees/State Grants	189,675	1,067,543
Non-major Governmental Funds	758,205	8,812,075
Proprietary Funds	14,129,731	-
	<u>\$ 49,011,027</u>	<u>\$ 49,011,027</u>
Total		

The interfund receivables and payables represent the payment of expenditures by one fund for another fund and will be repaid within 12 months.

The following is a summary of interfund transfers reported in the fund financial statements:

Funds	Transfers In	Transfers Out
Major Funds		
General	\$ 31,823,563	\$ -
Debt Service Fund:		
Certificates of Participation	69,264,261	-
ARRA Economic Stimulus	3,291	-
Capital Projects:		
Local Capital Improvement Tax	-	45,707,720
Certificates of Participation/Impact Fees/State		
Grants	-	55,383,395
	<u>\$ 101,091,115</u>	<u>\$ 101,091,115</u>
Total		

The majority of the transfers out of the Capital Projects funds were to provide debt service principal and interest payments and to assist in funding maintenance operations of the District. The remaining transfers between funds were operational in nature.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7: NONCURRENT LIABILITIES

7-A. Certificates of Participation Payable

The District entered into several financing arrangements, characterized as lease-purchase agreements, with the Florida School Boards Association, Inc. and the Lee County School Board Leasing Corporation (lessors) whereby the District secured financing of various educational facilities. The financing was accomplished through the issuance and refunding of several series of Certificates of Participation. Issues with remaining outstanding balances include 2011A-QSCB (original issue: \$27,009,000); Series 2014A (original issue: \$72,340,000); Series 2014B (original issue: \$60,220,000); Series 2016A (original issue: \$61,080,000); Series 2017A (original issue: \$60,177,000); Series 2017B (original issue: \$46,155,000); Series 2019A (original issue: \$90,375,000); Series 2020A (original issue: \$45,760,000) and Series 2023A (original issue: \$136,410,000) be repaid from the proceeds of rents paid by the District.

The American Recovery and Reinvestment Act (ARRA) of 2009, signed into law on February 17, 2009, created two new categories of direct subsidy debt for school districts. The Qualified School Construction Bonds (QSCBs) and the Build America Bonds (BABs). Neither the QSCBs or the BABs represent incremental Federal Funding, both must be repaid by the District. In June 2011, the Corporation issued Certificate Series 2011A-QSCB in the amount of \$27,009,000. The Series 2011A-QSCB was issued to finance the cost of construction, installation and equipping educational facilities. The Series 2011A-QSCB Certificates are structured as taxable bonds and the District will receive a direct rebate/subsidy payment from the U.S. Treasury to offset a portion of the interest expense. The interest rate bondholders will receive is 5.48 percent and the federal subsidy is 5.02 percent, therefore the net interest cost to the District is 0.46 percent. Interest earnings on the proceeds will further offset this expense.

As a condition of the financing arrangement, the District has given a ground lease on District property to the lessors with a rental fee of \$1 per year. The properties covered by the ground leases are, together with the improvements constructed thereon from the financing proceeds, leased back to the District. If the District fails to renew the lease and to provide for the rent payments through to term, the District may be required to surrender the sites included under the ground lease agreements for the benefit of the securers of the certificates for a period of time specified by the arrangement which may be up to 2048.

The District properties included in the ground leases under these arrangements include:

Series 2011A-QSCB

- One Elementary School
- One Middle School

Series 2014A

- One Elementary School
- One Middle School
- One High School
- New Administration Building

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Series 2014B

Two Elementary Schools
Seven Additions to Existing Schools

Series 2016A

One High School

Series 2017A

Six Elementary Schools
One Middle School
One High School

Series 2017B

Five Elementary Schools
Three Middle Schools
Three High Schools
One Specialty School
Two Transportation Facilities
Two Building Conversions
New Administration Building
Vocational School Addition

Series 2019A

One High School
One School Addition

Series 2020A

One Middle School

Series 2023A

One Elementary School
One School Addition
One School Rebuild

The lease payments are payable by the District semi-annually on December 31 and June 30 at interest rates ranging from 1.91 to 5.00 percent. The following is a schedule by years of future minimum lease payments under the lease agreement together with the present value of minimum lease payments as of June 30:

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Fiscal Year Ending June 30	Total	Certificates of Participation		Certificates of Participation from Direct Borrowings of Debt	
		Principal	Interest	Principal	Interest
2026	\$ 96,164,504	\$ 31,615,000	\$ 14,286,313	\$ 49,325,000	\$ 938,191
2027	61,174,319	40,460,000	12,830,563	7,705,000	178,756
2028	62,190,037	51,355,000	10,835,037	-	-
2029	14,003,200	5,630,000	8,373,200	-	-
2030	14,001,700	5,910,000	8,091,700	-	-
2031-2035	70,004,500	34,285,000	35,719,500	-	-
2036-2040	69,999,699	43,165,000	26,834,699	-	-
2041-2045	70,004,800	54,815,000	15,189,800	-	-
2046-2048	41,998,600	38,850,000	3,148,600	-	-
Total Minimum Lease Payments	499,541,359	306,085,000	135,309,412	57,030,000	1,116,947
Add: Unamortized Premium/Discount, net	20,157,676	20,157,676	-	-	-
Total Certificates of Participation Payable	\$ 519,699,035	\$ 326,242,676	\$ 135,309,412	\$ 57,030,000	\$ 1,116,947

The District does not have any outstanding or unused lines of credit. The District's certificates of participation from direct borrowings contain a provision that in an event of default or upon the termination of the lease agreement prior to the payment of all scheduled lease payments, the District shall immediately surrender and deliver possession of all facilities financed under the Master Lease. All Certificates of Participation issued are subject to arbitrage rebate. At June 30, 2025, there was arbitrage rebate liability on our COPS Series 2020A.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

Changes in NonCurrent Liabilities

Noncurrent liability balances and activity for the year ended June 30, 2025, were as follows:

	Restated Balance 6/30/2024 *	Additions	Deductions	Balance 6/30/2025 *	Amounts Due Within One Year
Governmental Activities					
Certificates of Participation Payable	\$ 415,127,000	\$ -	\$ 52,012,000	\$ 363,115,000	\$ 80,940,000
Certificates of Participation Premium	24,068,097	-	3,910,421	20,157,676	-
Certificates of Participation, net of premium	439,195,097	-	55,922,421	383,272,676	80,940,000
Arbitrage Payable	-	127,049	-	127,049	-
Leases Payable	17,964	-	16,474	1,490	1,490
Notes Payable	-	-	-	-	-
Total Long-Term Debt	439,213,061	127,049	55,938,895	383,401,215	80,941,490
 <i>Other Noncurrent Liabilities</i>					
Estimated Early Retirement Payable	1,007,000	-	28,000	979,000	41,800
Net Pension Liability	608,258,204	189,986,336	225,460,314	572,784,226	-
Estimated Insurance Claims Payable	24,717,595	139,944,967	138,722,357	25,940,205	16,326,905
Postemployment Benefits Payable	44,064,090	3,631,050	2,213,569	45,481,571	66,708
Liability for Compensated Absences *	100,885,142	5,422,390	-	106,307,532	5,614,606
Total Other Liabilities	778,932,031	338,984,743	366,424,240	751,492,534	22,050,019
Total Noncurrent Liabilities	<u>\$ 1,218,145,092</u>	<u>\$ 339,111,792</u>	<u>\$ 422,363,135</u>	<u>\$ 1,134,893,749</u>	<u>\$ 102,991,509</u>

* The change in compensated absences is a net change for the year.

* Payments on the bonds and notes payable are made by the debt service fund. Payments on the estimated insurance claims payable are made by the Internal Service Fund. The early retirement payable, and net pension liability liabilities are generally liquidated with the resources of the General and Special Revenue funds. Other postemployment benefits payable represents an implicit subsidy under GASB Statement No. 75 and will be included in future

Internal service funds predominantly serve the governmental funds. Accordingly, noncurrent liabilities are included as part of the above totals for governmental activities. At fiscal year-end, a \$31,480 liability for compensated absences in the Internal Service Fund is included in the above amounts.

NOTE 8: DEFEASED DEBT

In prior years, the District defeased a portion of the Certificates of Participation, Series 2012B by creating a separate irrevocable trust fund. New debt was issued, and the proceeds were used to purchase U.S. Government securities that were placed in the trust fund. The investments and fixed earnings from the investments are sufficient to service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and, therefore, removed as a liability from the District's long-term debt. As of June 30, 2025, the amount of defeased debt outstanding is \$15,195,000.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9: LEASES

9-A Lease Payable

For the year ended June 30, 2022, the District implemented GASB Statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

The District has entered into various 36-month leases as Lessee for the use of equipment. An initial liability was recorded in the amount of \$107,672. As of June 30, 2025, the value of the lease liability is \$1,490. The District is required to make monthly fixed payments of various amounts. The interest ranges from zero percent to 9.19 percent and mature through 2026. The value of the right to use asset as of June 30, 2025, of \$13,958 with accumulated amortization of \$12,478 is included with buildings and capital assets on Note 5. The District has no extension options or termination periods.

Principal and interest requirements for the lease liability at June 30, 2025 are as follows:

Fiscal Year Ending June 30	Total	Principal	Interest
2026	\$ 1,492	\$ 1,490	\$ 2
Total Lease Payable	<u>\$ 1,492</u>	<u>\$ 1,490</u>	<u>\$ 2</u>

9-B Lease Receivables

The District leases land space to various vendors for cell towers. The agreements are non-cancellable and terminate no earlier than May 2037. These are five-year lease agreements with five five-year renewal options. Rental payments may increase due to a change in the Consumer Price Index (CPI) rate or other economic indicators.

The District implemented GASB No. 87 for the year ended June 30, 2022 and recorded \$4,837,162 balance for lease receivable and deferred inflows of resources as of July 1, 2021. The lease receivable balance was reduced and interest income recognized for \$183,190 and \$90,145 respectively.

Principal and interest requirements to maturity for the lease receivable at June 30, 2025 are as follows:

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Fiscal Year Ending June 30	Total	Principal	Interest
2026	\$ 281,535	\$ 195,183	\$ 86,352
2027	289,981	207,667	82,314
2028	298,681	220,667	78,014
2029	307,640	234,193	73,447
2030	316,869	248,271	68,598
2031-2035	1,732,779	1,473,125	259,654
2036-2040	1,121,613	1,017,946	103,667
2041-2045	276,046	226,337	49,709
2046-2050	286,573	260,754	25,819
2051-2052	89,894	87,528	2,366
Total Lease Receivable	\$ 5,001,611	\$ 4,171,671	\$ 829,940

NOTE 10: NET POSITION-NET INVESTMENT IN CAPITAL ASSETS

In the government-wide statement of net position, the difference between total assets and total liabilities is net position. Generally accepted accounting principles require that net position be subdivided into the following three components: Net investment in capital assets, restricted net position, and unrestricted net position. The composition of net investment in capital assets as of June 30, 2025, is shown in the table below:

Description		
Total Capital Assets, Net of Accumulated Depreciation		\$ 1,495,222,698
Less Related Debt, Net of Unspent Proceeds:		
Certificates of Participation Payable	\$ (383,272,676)	
Leases Payable	(1,490)	
Matured Certificates of Participation Payable	(52,012,000)	
Construction Contracts Payable (net of non capitalized assets)	(1,415,518)	
Retainage Payable (net of non capitalized assets)	(9,094,191)	
Deferred Amount on Refunding	(529,858)	
Unspent Proceeds	22,662,637	
Total Related Debt, Net of Unspent Proceeds		(423,663,096)
Net Investment in Capital Assets		<u>\$ 1,071,559,602</u>

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11: FUND BALANCE REPORTING

The District has adopted GASB Statement No. 54 as part of its fiscal year reporting. The intention of the GASB is to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the District's financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The District has inventories and prepaid items that are considered nonspendable. The District does not have any nonspendable funds related to endowments.

In addition to the nonspendable fund balance, GASB Statement No. 54 has provided a hierarchy of fund balances, based on a hierarchy of spending constraints.

- **Restricted:** Fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- **Committed:** Fund balances that contain self imposed constraints of the government from its highest level of decision making authority.
- **Assigned:** Fund balances that contain self imposed constraints of the government to be used for a particular purpose. Florida Statute 1001.51, Duties and Responsibilities of District School Superintendent, delegates certain financial authority to the Superintendent.
- **Unassigned:** Fund balance of the General Fund that is not constrained for any particular purpose.

The District has classified its fund balances with the following hierarchy:

Nonspendable: The District has inventories and prepaid expenses totaling \$9,795,737 that are classified as nonspendable.

The District has classified the remaining fund balances as *Restricted*, *Assigned*, and *Unassigned* and considers each to have been spent when expenditures are incurred. The District does not have a policy regarding the commitment or assignment of fund balances. As such, the District does not report any committed fund balance. However, certain actions taken by the District qualify as an assignment of fund balance in accordance with GASB Statement No. 54. Included in assigned fund balance is an amount for purchase order obligations outstanding that have not been already included as restricted fund balance.

• Restricted for State Required Carryover Programs, Other Purposes, Food Services, Debt Service, and Capital Projects:

Federal laws, Florida Statutes, and local ordinances require that certain revenues be specifically designated for the purposes of State required carryover programs, food service, debt service, and capital projects. These funds have been included in the *Restricted* category of fund balance. The restricted fund balances totaled \$875,705,876 and represented \$18,531,922 in State required carryover programs, \$61,981,561 in other externally restricted grants and donations, \$73,189,591 in other school restricted donations, \$2,274,910 in food service, \$27,968,491 in debt service and \$753,740,962 in capital projects.

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• **Assigned for State and Local Programs:**

The assigned fund balances total \$9,262,210. In accordance with GASB Statement No. 54, the District reports outstanding encumbrances, of \$9,262,210 that have not been previously reported as restricted or assigned. Encumbrances are supported by outstanding purchase orders issued through the established Board approved budget process.

• **Unassigned:**

The unassigned fund balance in the General Fund is \$136,751,432.

NOTE 12: SCHEDULE OF STATE REVENUE SOURCES

The following is a schedule of the District’s State revenue for the 2024-25 fiscal year:

<u>Source</u>	<u>Amount</u>
Florida Education Finance Program	\$ 246,248,063
Categorical Educational Programs:	
Class Size Reduction	101,000,328
Florida School Recognition Funds	3,299,811
Voluntary Prekindergarten Program	2,320,494
Public Education Capital Outlay (PECO)	4,600,000
Workforce Development Program	12,011,152
Charter School Capital Outlay Funding	8,212,376
Motor Vehicle License Tax (Capital Outlay and Debt Service)	4,528,084
Food Service Supplement	541,795
State License Tax	442,956
Sales Tax Distribution	223,250
Miscellaneous	<u>8,441,881</u>
Total	<u>\$ 391,870,190</u>

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NOTE 13: PROPERTY TAXES

The following is a summary of millages and taxes levied on the 2024 tax roll in fiscal year 2024-2025:

	Mills	Amount
<u>General Fund:</u>		
Nonvoted School Tax		
Required Local Effort	3.038	\$ 510,635,549
Basic Discretionary Local Effort	0.748	120,036,263
 <u>Capital Projects Funds:</u>		
Nonvoted School Tax		
Local Improvements	1.500	240,714,432
 Total	5.286	\$ 871,386,244

NOTE 14: RETIREMENT PLANS – DEFINED BENEFIT PENSION PLANS

The District follows GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, for reporting the employers’ proportionate share of the net pension liabilities for the FRS and HIS defined benefit pension plans.

General Information about the FRS

The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree HIS Program, a cost-sharing multiple- employer defined benefit pension plan to assist retired members of any State-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the District are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost- sharing, multiple-employer retirement plans and other nonintegrated programs. An annual comprehensive financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services’ Web site (www.dms.myflorida.com).

The District’s FRS and HIS pension expense totaled \$62,218,933 for the fiscal year ended June 30, 2025.

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FRS Defined Benefit Pension Plan

Plan Description. The FRS Pension Plan (Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a DROP for eligible employees. The general classes of membership are as follows:

- *Regular* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers* – Members who hold specified elective offices in local government.
- *Senior Management Service*– Members in senior management level positions.

Employees enrolled in the Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Employees enrolled in the Plan may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 96 months after electing to participate, except that certain instructional personnel may participate for up to 120 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided. Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

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<u>Class, Initial Enrollment, and Retirement Age/Years of Service</u>	<u>% Value</u>
<i>Regular Class members initially enrolled before July 1, 2011</i>	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
<i>Regular Class members initially enrolled on or after July 1, 2011</i>	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
<i>Elected County Officers</i>	3.00
<i>Senior Management Service Class</i>	2.00

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2024-25 fiscal year were as follows:

Class	Employee Contribution (Percent of Gross Salary)	Employer Contribution (Percent of Gross Salary)
FRS, Regular	3.00	13.63
FRS, Elected County Officers	3.00	58.68
FRS, Senior Management Service	3.00	34.52
Deferred Retirement Option Program (Applicable to member from all of the above classes)	0.00	21.13
FRS, Re-employed Retiree	(A)	(A)

(A) Contribution rates are dependent upon retirement class in which reemployed.

Note: Employer rates include the post-employment health insurance subsidy of 2.00 percent. Also, employer rates, other than for DROP participants, include 0.06 percent for administrative costs of the Investment Plan.

The District's contributions to the Plan totaled \$54,731,165 for the fiscal year ended June 30, 2025. This excludes the HIS defined benefit pension plan contributions.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2025, the District reported a net pension liability of \$363,287,407 for its

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proportionate share of the Plan’s net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The District’s proportionate share of the net pension liability was based on the District’s 2023-24 fiscal year contributions relative to the total 2023-24 fiscal year contributions of all participating members. At June 30, 2024, the District’s proportion was 00.939098349 percent, which was a decrease of 0.0030571829 from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized the Plan pension expense of \$53,973,322. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 36,701,781	\$ -
Change of assumptions	49,791,861	-
Net difference between projected and actual earnings on pension plan investments	-	24,145,971
Changes in proportion and differences between District contributions and proportionate share of contributions	11,314,380	19,937,011
District contributions subsequent to the measurement date	54,731,165	-
Total	\$ 152,539,187	\$ 44,082,982

The deferred outflows of resources related to pensions, resulting from District contributions subsequent to the measurement date, totaling \$54,731,165, will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30	Amount
2026	\$ (6,233,013)
2027	59,656,286
2028	125,417
2029	(2,566,104)
2030	2,742,454
Thereafter	-
Total	\$ 53,725,040

Actuarial Assumptions. The total pension liability in the July 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary Increases	3.25 percent, average, including inflation
Investment rate of return	6.70 percent, net of pension plan investment expense, including inflation

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Mortality rates were based on the PUB2010 base table varies by member category and sex, projected generationally with Scale MP-2021 details in valuation report.

The actuarial assumptions used in the July 1, 2024, valuation were based on the results of an actuarial experience study for the period July 1, 2018, through June 30, 2023. As a result of the 2023 actuarial experience study, the inflation rate assumption was unchanged at 2.40 percent, and the overall payroll growth rate assumption was increased from 3.25 to 3.50 percent. The long-term expected rate of return was unchanged at 6.70 percent.

The long-term expected rate of return on pension plan investments was not based on historical returns but instead is based on a forward-looking capital market economic model. The allocation policy’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Allocation¹</u>	<u>Return</u>	<u>Return</u>	<u>Deviation</u>
Cash	1.0%	2.9%	2.9%	1.1%
Fixed Income	19.8%	4.5%	4.4%	3.4%
Global Equity	54.0%	8.7%	7.1%	18.1%
Real estate (Property)	10.3%	7.6%	6.6%	14.8%
Private Equity	11.1%	11.9%	8.8%	26.3%
Strategic Investments	3.8%	6.3%	6.1%	7.7%
Total	100%			
Assumed inflation - Mean			2.4%	1.4%

¹ As outlined in the Plan's investment policy

Discount Rate. The discount rate used to measure the total pension liability was unchanged at 6.70 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from participating members will be made at statutorily required rates, actuarially determined. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 6.70 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.70 percent) or 1-percentage-point higher (7.70 percent) than the current rate:

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	1% Decrease 5.70%	Current Discount Rate 6.70%	1% Increase 7.70%
District's proportionate share of the net pension liability	\$ 639,009,828	\$ 363,287,407	\$ 132,311,397

Pension Plan Fiduciary Net Position. Detailed information about the Plan’s fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Annual Comprehensive Financial Report.

Payables to the Pension Plan. At June 30, 2025, the District reported a payable of \$9,476,494 for the outstanding amount of contributions to the pension plan required for the fiscal year ended June 30, 2025.

HIS Defined Benefit Pension Plan

Plan Description. The HIS Pension Plan (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement system in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided. For the fiscal year ended June 30, 2025, eligible retirees and beneficiaries received a monthly HIS payment of \$7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$45 and a maximum HIS payment of \$225 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2025, the contribution rate was 2.00 percent of payroll pursuant to Section 112.363, Florida Statutes. The District contributed 100 percent of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The District’s contributions to the HIS Plan totaled \$12,338,744 for the fiscal year ended June 30, 2025.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2024, the District reported a net pension liability of \$209,496,819 for its proportionate share of the HIS Plan’s net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024, The District’s proportionate share of the net pension liability was based on the District’s 2023-24 fiscal year contributions relative to the total 2023-24 fiscal year contributions of all

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participating members. At June 30, 2024, the District's proportion was 1.396554511 percent, which was a decrease of 0.000527950 from its proportion measured as of June 30, 2023.

For the fiscal year ended June 30, 2025, the District recognized the HIS Plan pension expense of \$8,245,611. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,022,834	\$ 402,264
Change of assumptions	3,707,602	24,801,737
Net difference between projected and actual earnings on HIS pension plan investments	-	75,767
Changes in proportion and differences between District HIS contributions and proportionate share of contributions	2,271,335	4,298,454
District contributions subsequent to the measurement date	12,338,744	-
Total	<u>\$ 20,340,515</u>	<u>\$ 29,578,222</u>

The deferred outflows of resources relating to pensions, resulting from District contributions to the HIS Plan subsequent to the measurement date, totaling \$12,338,744, will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30	Amount
2026	\$ (4,023,434)
2027	(4,500,748)
2028	(5,773,923)
2029	(4,312,827)
2030	(2,354,868)
Thereafter	<u>(610,652)</u>
Total	<u>\$ (21,576,452)</u>

Actuarial Assumptions. The total pension liability in the July 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary Increases	3.25 percent, average, including inflation
Municipal bond rate	3.65 percent

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2021.

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While an experience study had not been completed for the HIS Plan, the actuarial assumptions that determined the total pension liability for the HIS Plan were based on certain results of the most recent experience study for the FRS Plan.

Discount Rate. The discount rate used to measure the total pension liability was 3.93 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate used to determine the total pension liability increased from 3.65 percent from the prior measurement date.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 3.93 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.93 percent) or 1-percentage-point higher (4.93 percent) than the current rate:

	1% Decrease 2.54%	Current Discount Rate 3.54%	1% Increase 4.54%
District's proportionate share of the net pension liability	\$ 238,485,204	\$ 209,496,819	\$ 185,431,774

Pension Plan Fiduciary Net Position. Detailed information about the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Annual Comprehensive Financial Report.

Payables to the Pension Plan. At June 30, 2025, the District reported a payable of \$2,115,188 for the outstanding amount of contributions to the HIS Plan required for the fiscal year ended June 30, 2025.

The aggregate amount of net pension liabilities, related deferred outflows of resources and deferred inflows of resources and pension expense for the District's defined benefit pension plans are summarized below:

Defined Benefit Pension Plans	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Total Expense
FRS	\$ 363,287,407	\$ 152,539,187	\$ 44,082,982	\$ 53,973,322
HIS	209,496,819	20,340,515	29,578,222	8,245,611
Total	\$ 572,784,226	\$ 172,879,702	\$ 73,661,204	\$ 62,218,933

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NOTE 15: RETIREMENT PLANS – DEFINED CONTRIBUTION PENSION PLANS

The District contributes to the FRS Investment Plan (Investment Plan), a defined contribution pension plan, for its eligible employees electing to participate in the Investment Plan. The Investment Plan is administered by the SBA, and is reported in the SBA’s annual financial statements and in the State of Florida Annual Comprehensive Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member’s accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Retirement benefits are based upon the value of the member’s account upon retirement. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of Investment Plan members. Allocations to the investment member’s accounts during the 2024-25 fiscal year were as follows:

Class	(Percent of Gross Compensation)
FRS, Regular	9.30
FRS, Elected County Officers	14.34
FRS, Senior Management Service	10.67

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2025, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan or remain in the Investment Plan and rely upon that account balance for retirement income.

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The District's Investment Plan pension expense totaled \$17,681,866 for the fiscal year ended June 30, 2025.

Payables to the Investment Plan. At June 30, 2025, the District reported a payable of \$3,232,091 for the outstanding amount of contributions to the Investment Plan required for the fiscal year ended June 30, 2025.

NOTE 16: EARLY RETIREMENT INCENTIVE PROGRAM

As authorized by Section 1012.685, Part VII, Florida Statutes, the Board implemented Early Retirement Plans (Plans) effective July 1, 1995, July 1, 1997, and July 1, 1999. The plans were offered to eligible employees on a one-time basis until May 15, 1995, May 15, 1997, and May 15, 1999, respectively. The purpose of the Plans was to provide eligible employees, who elect to retire under the retirement provisions of the FRS described in Note 14, with one of several incentive options which supplement the employee's (participant's) retirement benefits. A summary of the plan eligibility, benefits, and contribution obligations for the 1995 Plan follows. There is no remaining liability reported by the District for the 1997 and 1999 plans as of June 30, 2025.

Eligibility

Participants must be 57 years of age with a minimum of five years of service with the District or 62 years of age with at least ten years of FRS service and a minimum of five years of service with the District or any age with at least thirty years of FRS service and a minimum of five years of service with the District.

Benefits

Incentive option one includes a bonus equal to twenty five percent of the employee's final annual salary, a health insurance contribution by the District for eight continuous years, and a life insurance benefit of \$10,000.

Incentive option two includes lifetime monthly payments for five years to offset the FRS early retirement penalty of five percent per year when an employee retires prior to age 62 with less than thirty years FRS service and a life insurance benefit of \$10,000.

Incentive option three includes monthly payments for five years to offset the FRS early retirement penalty of five percent per year when an employee retires prior to age 62 with less than thirty years FRS service, a health insurance contribution by the District for eight continuous years, and a life insurance benefit of \$10,000.

The amount of the bonuses (if applicable) and accumulated leave pay are paid in five annual installments into an Internal Revenue Code 457F deferred compensation plan and directed into an investment fund selected by the participant. Alternatively, the participant may elect to receive twenty-five percent of the annual installments directly with the balance going into the deferred compensation plan.

Contributions

No contributions shall be required or permitted from any participant. The annual amounts contributed by the District are the actual amounts payable to participants or on their behalf for contributions to the 457F deferred compensation plan, retirement benefits, and premiums for health and life insurance coverage.

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The District reported a liability in its Statement of Net Position of \$979,000 to recognize the present value of its obligation to pay death benefits to, or on behalf of, those retired employees. The Board has purchased life insurance on the participants, with itself as the beneficiary, to recover costs of the 1995 Plan over time.

The District has retained an administrator to handle the receipt of contributions and the disbursements of benefits to Plan participants.

NOTE 17: OTHER POSTEMPLOYMENT BENEFITS

Other Postemployment Benefits Payable. The District follows GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, for certain other postemployment benefits administered by the District and life insurance benefits through purchased commercial insurance.

General Information about the OPEB Plan

Plan Description. The Other Postemployment Benefits Plan (OPEB Plan) is a single-employer defined benefit plan administered by the District. Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees who retire from the District are eligible to participate in the District’s health plan for medical and prescription. The District subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the OPEB Plan on average than those of active employees. The District does not offer any explicit subsidies for retiree coverage. Retirees are required to enroll in the Federal Medicare (Medicare) program for their primary coverage as soon as they are eligible. The OPEB Plan contribution requirements and benefit terms of the District and the OPEB Plan members are established and may be amended by action from the Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided. The OPEB Plan provides healthcare benefits for retirees and their dependents. The OPEB Plan only provides an implicit subsidy as described above.

Employees Covered by Benefit Terms. At June 30, 2024, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	1,707
Inactive Employees Entitled to But Not Yet Receiving Benefits	-
Active Employees	10,092
Total	<u>11,799</u>

Total OPEB Liability

The District’s total OPEB liability of \$45,481,571 was measured as of June 30, 2024, and was determined by an actuarial valuation as of June 30, 2023 and update procedures used to determine the total OPEB liability as of June 30, 2025.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2025

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2024, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5 percent.
Salary increases	3.4-7.8 percent, average, including inflation.
Discount rate	3.93 percent.
Healthcare cost trend rates	7 percent for 2024, and gradually decreasing to an ultimate rate of 4 percent in 2050.
Aging Factors	Based on the 2013 SOA Study “Health Care Costs – From Birth to Death.”
Expenses	Administrative expenses are included in the per capita health costs.
Retirees’ share of benefit-related costs	100 percent of projected health insurance premiums for retirees

The discount rate was based on the Fidelity 20-year Municipal General Obligation AA Bond Index.

Mortality rates were based on the PUB MP-2018 with Projected Scale.

Demographic assumptions employed in the actuarial valuation were the same as those employed in the July 1, 2023, actuarial valuation of the FRS Defined Benefit Pension Plan. These demographic assumptions were developed by FRS from an actuarial experience study and therefore are appropriate for use in the OPEB Plan actuarial valuation. These include assumed rates of future termination, mortality, disability, and retirement. In addition, salary increase assumptions (for development of the pattern of the normal cost increases) were the same as those used in the July 1, 2023, actuarial valuation of the FRS Defined Benefit Pension Plan. Assumptions used in valuation of benefits for participants of the FRS Investment Plan are the same as for similarly situated participants of the FRS Defined Benefit Pension Plan.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

Changes in the Total OPEB Liability

	Amount
Balance at 6/30/24	\$ 44,064,090
Changes for the year:	
Service Cost	1,892,815
Interest	1,738,235
Differences Between Expected and Actual Experience	-
Changes in Assumptions or Other Inputs	(363,728)
Benefit Payments	(1,849,841)
Net Changes	1,417,481
Balance at 6/30/25	\$ 45,481,571

There were no changes of benefit terms during the year.

Changes in assumptions. The discount rate was changed from 3.86 percent in 2023 to 3.93 percent in 2024.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following table presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.93 percent) or 1 percentage point higher (4.93 percent) than the current rate:

	1% Decrease <u>(2.93%)</u>	Current Discount Rate <u>(3.93%)</u>	1% Increase <u>(4.93%)</u>
Total OPEB liability	\$51,079,006	\$45,481,571	\$40,723,994

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following table presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (5 percent decreasing to 2.75 percent) or 1 percentage point higher (7 percent decreasing 4.75 percent) than the current healthcare cost trend rates:

	1% Decrease <u>(6% decreasing to 3%)</u>	Healthcare Cost Trend Rates <u>(7% decreasing to 4%)</u>	1% Increase <u>(8% decreasing to 5%)</u>
Total OPEB liability	\$40,258,733	\$45,481,571	\$52,050,923

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

For the fiscal year ended June 30, 2025, the District recognized OPEB expense of \$2,535,691. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 917,779	\$ -
Change of assumptions or other inputs	2,163,171	9,784,230
Transactions subsequent to the measurement date	1,783,133	-
Total	\$ 4,864,083	\$ 9,784,230

Of the total amount reported as deferred outflows of resources related to OPEB, \$1,783,133 resulting from transactions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the total OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2026	\$ (1,095,359)
2027	(1,095,359)
2028	(706,083)
2029	(670,206)
2030	(659,961)
Thereafter	(2,476,312)
Total	\$ (6,703,280)

NOTE 18: VESTED INTERESTS IN UTILITY COOPERATIVES

The District has purchased electricity since 1969 from the Lee County Electric Cooperative, Inc. The District's estimated vested interest in this Cooperative is \$10,587,558 at June 30, 2025, which is recorded as a capital credit receivable on the statement of net position. Such interest, also referred to as capital credits, would be payable to the District over a thirty-year period should the District terminate its business relationship with the Cooperative. This is the unretired portion of our equity in the Cooperative. The district receives annual payouts until paid in full. During the fiscal year, the District recorded the earned capital credits as other local sources revenue in the government-wide statement and recorded general revenues on the governmental fund statements as the District received capital credits. The District would receive capital credits from Bonita Springs Water System, Inc. or Greater Pine Island Water Association, Inc. only in the unlikely event that they were to permanently cease operations. During the fiscal year, the District did not record any general revenue for capital credits earned from Bonita Springs Water System, Inc. or Greater Pine Island Water Association, Inc.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 19: RISK MANAGEMENT PROGRAMS

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Property, workers’ compensation, automobile liability, and general liability coverage are self-insured up to specified limits. The District purchases policies with various insurance companies to provide coverage in excess of claims amounts above the stated self-insured retention deductible on any individual/aggregate claim. The District has contracted with a third-party administrator to administer the property/casualty program, including the processing, investigation, and payment of claims.

The District provides health coverage through a self-insurance program administered by an outside provider. The District reports the self-insurance programs in the Internal Service Funds. Amounts are transferred from various funds to the Internal Service Funds to provide sufficient resources to cover claims incurred, and to pay the insurance services agent’s administrative fees.

There have been no significant reductions in insurance coverage. Settled claims resulting from risks described above have not exceeded commercial insurance coverage for the past three fiscal years.

A liability in the amount of \$14,129,731 was actuarially determined to cover outstanding claims and estimated incurred but not reported insurance claims payable for the Self-Insurance-Casualty, Liability and Workers’ Compensation Fund, at June 30, 2025. A liability in the amount of \$11,810,474 was actuarially determined to cover outstanding claims and estimated incurred but not reported insurance claims payable for the Self-Insurance-Health Insurance Fund, at June 30, 2025.

The following schedule represents the change in claims liability for the past two fiscal years for the District’s self-insurance programs:

Casualty, Liability, Workers’ Compensation Self Insurance Fund:

	Beginning of Fiscal Year Liability	Current-Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
2023-2024	\$ 15,298,753	\$ 7,579,936	\$ (7,542,857)	\$ 15,335,832
2024-2025	15,335,832	8,668,371	(9,874,472)	14,129,731

Health Insurance Self Insurance Fund:

	Beginning of Fiscal Year Liability	Current-Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
2023-2024	\$ 8,282,334	\$ 110,619,723	\$ (109,520,294)	\$ 9,381,763
2024-2025	9,381,763	131,276,594	(128,847,883)	11,810,474

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 20: LITIGATION

The District is contingently liable with respect to lawsuits and other claims that arise in the ordinary course of its operation. Management believes that any liability arising from such claims would be immaterial to the financial statements.

NOTE 21: RESTATEMENT

Changes in Accounting Principal

Change in Compensated Absences Liability (Column A)

The District is implementing GASB Statement 101, in the financial statements of the current fiscal year. The District provides two forms of employee leave (vacation and sick). Sick leave is earned each month and carries over without limits at the end of the fiscal year. Previously, the District only accrued sick leave based on the District’s vesting rules for payout of sick leaves upon termination. Under Statement 101, accumulated sick leave meets the first two criteria (attributable to past service and accumulates). The District therefore examined its past experience with accumulated sick leave and estimated the amount of accumulated leave that was more likely than not to be use by employees. This estimate is now to be reported as a liability in the government-wide and proprietary fund financial statements. The portion of this liability that existed at the beginning of the current year is recognized as a decrease in beginning net position resulting from adoption of a new accounting standard.

Implementing GASB 101 has led to a restatement of the beginning net position for the fiscal year ending June 30, 2025, as shown below:

	June 30, 2024 Net Position, as previously reported	Change in Accounting Principal (A)	June 30, 2024 Net Position, as restated
Government-Wide			
Governmental Activities	\$ 1,498,565,187	\$ (22,813,216)	\$ 1,475,751,971
Total Primary Government	<u>\$ 1,498,565,187</u>	<u>\$ (22,813,216)</u>	<u>\$ 1,475,751,971</u>

This restatement reflects the newly recognized liability for sick leave and associated salary-related payments that meet the GASB 101 requirements.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 22: SUBSEQUENT EVENTS

The District has evaluated events and transactions occurring subsequent to June 30, 2025 through the date the financial statements were available to be issued.

Certificates of Participation Issuance

In November 2025, the School District of Lee County issued approximately \$400 million in Series 2025 Certificates of Participation (COPs) to finance major capital projects, including school renovations and the construction of new educational facilities. Debt service on the COPs is subject to annual appropriation by the School Board and is payable from legally available non-ad valorem revenues.

THE SCHOOL DISTRICT OF LEE COUNTY
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OTHER
POSTEMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS ¹

	2017	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability								
Service cost	\$ 2,685,667	\$ 2,461,752	\$ 2,323,472	\$ 2,404,392	\$ 2,733,872	\$ 2,607,637	\$ 1,862,040	\$ 1,892,815
Interest	1,586,448	1,827,266	1,857,397	1,579,789	1,301,046	1,022,841	1,573,319	1,738,235
Differences between expected and actual experience	-	-	1,473,558	-	177,348	-	259,765	-
Changes of assumptions or other inputs	(3,892,800)	(358,774)	(1,575,972)	2,251,057	(671,490)	(10,213,990)	1,103,463	(363,728)
Benefit payments	(3,718,992)	(2,597,226)	(5,023,511)	(4,968,847)	(2,897,706)	(3,593,330)	(3,019,644)	(1,849,841)
Net changes in total OPEB liability	(3,339,677)	1,333,018	(945,056)	1,266,391	643,070	(10,176,842)	1,778,943	1,417,481
Total OPEB Liability-beginning, as restated	53,504,243	\$ 50,164,566	\$ 51,497,584	\$ 50,552,528	\$ 51,818,919	\$ 52,461,989	\$ 42,285,147	\$ 44,064,090
Total OPEB Liability- ending	\$ 50,164,566	\$ 51,497,584	\$ 50,552,528	\$ 51,818,919	\$ 52,461,989	\$ 42,285,147	\$ 44,064,090	\$ 45,481,571
Covered employee payroll	\$ 522,477,873	\$ 535,169,541	\$ 545,004,178	\$ 553,081,335	\$ 493,312,820	\$ 520,692,665	\$ 667,220,244	\$ 700,488,403
Total OPEB Liability as a percentage of covered employee payroll	9.60%	9.62%	9.28%	9.37%	10.63%	7.09%	6.60%	6.82%

Note 1: The amounts presented for each fiscal year were determined as of June 30.

Note 2: For additional information see RSI notes

¹ 2018 was the first year of reporting net OPEB liability (GASB 75).

Additional years will be displayed as they become available.

THE SCHOOL DISTRICT OF LEE COUNTY
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY-
FLORIDA RETIREMENT SYSTEM PENSION PLAN

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
District's proportion of the FRS net pension liability	1.010277504%	0.944803387%	0.947570220%	0.984289781%	0.949750579%	0.916137214%	0.999480968%	1.027899900%	0.969670178%	0.939098349%
District's proportionate share of the FRS net pension liability	\$ 130,490,889	\$ 238,563,597	\$ 280,284,913	\$ 296,473,184	\$ 327,071,943	\$ 397,067,370	\$ 75,499,428	\$ 382,461,367	\$ 386,382,876	\$ 363,287,407
District's covered payroll	\$ 425,054,736	\$ 435,635,339	\$ 450,935,762	\$ 478,145,637	\$ 477,911,471	\$ 485,160,456	\$ 493,312,820	\$ 520,692,665	\$ 553,660,848	\$ 591,406,820
District's proportionate share of the FRS net pension liability as a percentage of its covered payroll	30.70%	54.76%	62.16%	62.00%	68.44%	81.84%	15.30%	73.45%	69.79%	61.43%
FRS Plan fiduciary net position as a percentage of the FRS total pension liability	92.00%	84.88%	83.89%	84.26%	82.61%	78.85%	96.40%	82.89%	82.38%	83.70%

Note 1: The amounts presented for each fiscal year were determined as of June 30.

THE SCHOOL DISTRICT OF LEE COUNTY
SCHEDULE OF DISTRICT CONTRIBUTIONS -
FLORIDA RETIREMENT SYSTEM PENSION PLAN

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required FRS contribution	\$ 23,040,537	\$ 24,667,586	\$ 28,051,468	\$ 29,449,121	\$ 30,439,180	\$ 38,075,907	\$ 43,862,359	\$ 46,647,372	\$ 53,177,696	\$ 54,731,165
FRS contributions in relation to the contractually required FRS contribution	23,040,537	24,667,586	28,051,468	29,449,121	30,439,180	38,075,907	43,862,359	46,647,372	53,177,696	54,731,165
FRS Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 435,635,339	\$ 450,935,762	\$ 478,145,637	\$ 477,911,471	\$ 485,160,456	\$ 493,312,820	\$ 520,692,665	\$ 553,660,848	\$ 591,406,820	\$ 617,212,686
FRS contributions as a percentage of covered payroll	5.29%	5.47%	5.87%	6.16%	6.27%	7.72%	8.42%	8.43%	8.99%	8.87%

Note 1: The amounts presented for each fiscal year were determined as of June 30.

THE SCHOOL DISTRICT OF LEE COUNTY
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY-
HEALTH INSURANCE SUBSIDY PENSION PLAN

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
District's proportion of the HIS net pension liability	1.400910797%	1.409500592%	1.414366908%	1.463511500%	1.428583350%	1.376335040%	1.393189156%	1.428440819%	1.397082461%	1.396554511%
District's proportionate share of the HIS net pension liability	\$ 142,870,865	\$ 164,271,455	\$ 151,230,635	\$ 154,899,700	\$ 159,844,181	\$ 170,648,775	\$ 170,895,596	\$ 151,294,698	\$ 221,875,328	\$ 209,496,819
District's covered payroll	\$ 425,054,736	\$ 435,635,339	\$ 450,935,762	\$ 478,145,637	\$ 477,911,471	\$ 485,160,456	\$ 493,312,820	\$ 520,692,665	\$ 553,660,848	\$ 591,406,820
District's proportionate share of the HIS net pension liability as a percentage of its covered payroll	33.61%	37.71%	33.54%	32.40%	33.45%	35.17%	34.64%	29.06%	40.07%	35.42%
HIS Plan fiduciary net position as a percentage of the HIS total pension liability	0.50%	0.97%	1.64%	2.15%	2.63%	3.00%	3.56%	4.81%	4.12%	4.80%

Note 1: The amounts presented for each fiscal year were determined as of June 30.

THE SCHOOL DISTRICT OF LEE COUNTY
SCHEDULE OF DISTRICT CONTRIBUTIONS-
HEALTH INSURANCE SUBSIDY PENSION PLAN

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required HIS contribution	\$ 7,224,589	\$ 7,485,238	\$ 7,936,660	\$ 7,932,785	\$ 8,053,907	\$ 8,189,178	\$ 8,643,270	\$ 9,190,255	\$ 11,823,643	\$ 12,338,744
HIS contributions in relation to the contractually required HIS contribution	7,224,589	7,485,238	7,936,660	7,932,785	8,053,907	8,189,178	8,643,270	9,190,255	11,823,643	12,338,744
HIS Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 435,635,339	\$ 450,935,762	\$ 478,145,637	\$ 477,911,471	\$ 485,160,456	\$ 493,312,820	\$ 520,692,665	\$ 553,660,848	\$ 591,406,820	\$ 617,212,686
HIS contributions as a percentage of covered-employee payroll	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	2.00%	2.00%

Note 1: The amounts presented for each fiscal year were determined as of June 30.

**REQUIRED SUPPLEMENTARY
INFORMATION**

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2025

NOTE 1: SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OTHER POSTEMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits. The June 30, 2024, total OPEB liability increased from the prior fiscal year as a result of changes to benefits and assumptions as discussed below:

Changes of Benefit Terms. There were no benefit changes during the year.

Changes of Assumptions. The discount rate was changed from 3.86 percent as of the beginning of the measurement period to 3.93 percent as of June 30, 2024 (based on the Long-term Municipal Bond rate).

NOTE 2: SCHEDULE OF NET PENSION LIABILITY AND SCHEDULE OF CONTRIBUTIONS – FLORIDA RETIREMENT SYSTEM PENSION PLAN

Changes of Assumptions. The long-term expected rate of return remained the same, 6.70 percent.

NOTE 3: SCHEDULE OF NET PENSION LIABILITY AND SCHEDULE OF CONTRIBUTIONS – HEALTH INSURANCE SUBSIDY PENSION PLAN

Changes of Assumptions. The municipal bond rate used to determine total pension liability increased from 3.65 percent to 3.93 percent.

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

Honorable Chairperson and Members of
The School Board of Lee County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the School Board of Lee County, Florida (the "District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise District's basic financial statements, and have issued our report thereon dated March 25, 2026. Our report includes an emphasis of matter paragraph for the adoption of Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

Our report includes a reference to other auditors who audited the financial statements of the aggregate discretely presented component units, as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weakness. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Forvis Mazars, LLP

Tampa, Florida

March 25, 2026

APPENDIX C

LEGAL DOCUMENTS

Master Trust Agreement
Form of Series 2026A Supplemental Trust Agreement
Master Lease Purchase Agreement
Assignment, Assumption and Modification Agreement
Amendment to Master Lease Purchase Agreement
Form of Amended and Restated Schedule 2016A
Series 2016A Ground Lease
Series 2016A Assignment Agreement

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MASTER TRUST AGREEMENT

by and between

FLORIDA SCHOOL BOARDS ASSOCIATION, INC.

and

**SUN BANK, NATIONAL ASSOCIATION
as Trustee**

Dated as of August 15, 1991

TABLE OF CONTENTS

Page

Table with 2 columns: Section Number and Page. Includes sections for ARTICLE I (Definitions and Rules of Construction), ARTICLE II (Assignment; Declaration of Trust; Representations), ARTICLE III (Certificates; Terms and Provisions), ARTICLE IV (Establishment and Administration of Funds and Accounts; Prepayment of Certificates), ARTICLE V (Covenants, Default and Limitations of Liability), and ARTICLE VI (Concerning the Trustee).

MASTER TRUST AGREEMENT

Page

Table with 2 columns: Section Number and Page. Includes sections for ARTICLE VII (Amendments), ARTICLE VIII (Miscellaneous), and Exhibits A, B, and C.

THIS MASTER TRUST AGREEMENT is dated as of August 15, 1991 (as the same may be amended or supplemented from time to time, this "Trust Agreement") and is between SUN BANK, NATIONAL ASSOCIATION, a national banking association with principal corporate trust offices in Orlando, Florida (the "Trustee"), and FLORIDA SCHOOL BOARDS ASSOCIATION, INC., a not-for-profit corporation, duly organized and existing under the laws of the State of Florida, as lessor under the within mentioned Master Lease (the "Association");

W I T N E S S E T H:

WHEREAS, The School Board of Lee County, Florida (the "School Board") desires to lease purchase certain real property, educational facilities and equipment to be built, installed or established therein for educational purposes ("Facilities") by entering into a Master Lease Purchase Agreement dated as of August 15, 1991 (as the same may be amended or supplemented from time to time, the "Master Lease") between the Association, as lessor, and the School Board, as lessee; and

WHEREAS, pursuant to Section 2 of the Master Lease, the Lessee may from time to time, by execution of a Schedule to the Master Lease (each hereinafter referred to as a "Schedule"), direct the Lessor to acquire and lease purchase to Lessee the Facilities described in such Schedule to the Master Lease; and

WHEREAS, Facilities may be added to the Master Lease by execution of Schedules thereto from time to time; and

WHEREAS, the Master Lease and the terms and conditions thereof with respect to the particular Facilities described on a Schedule are sometimes referred to herein as a "Lease" and the Schedule describing such Facilities is sometimes referred to as "Schedule No. 1991A"; and

WHEREAS, certain of the Facilities will be located on certain real property located within the School District of Lee County, Florida (the "District") (each such location, or all locations on a single Schedule, a "Facility site") to be leased by the School Board to the Association pursuant to a ground lease; and

WHEREAS, the relationship between the Association and School Board under the Master Lease is to be a continuing one and Facilities may be added to or deleted from the Master Lease from time to time in accordance with the terms thereof and of the Schedule describing such Facilities; and

WHEREAS, pursuant to Section 7.1 of the Master Lease, the Association, with the consent of the School Board, has the right to assign all of its right, title and interest in and to a parti-

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

cular Lease (except for its right to indemnification under Section 5.7 of the Master Lease, its right to receive servicing fees under the Master Lease and its right to receive notices under the Master Lease) to the Trustee including the rights to receive Basic Lease Payments (as hereinafter defined) due under such Lease; and

WHEREAS, the Association has requested the Trustee to issue from time to time separate series of Certificates of Participation substantially in the form of Appendix A hereto (the "Certificates") to third parties to whom such Certificates are sold and for whose benefit and for the benefit of any corresponding Credit Facility Issuer (as hereinafter defined) an Assignment Agreement will be executed and delivered to the Trustee, each such Certificate of a particular Series (as hereinafter defined) evidencing an undivided proportionate interest of the registered owner thereof in the Basic Lease Payments to be made under one or more Leases created by one or more particular Schedules and certain rights of the Association under such Lease or Leases; and

WHEREAS, upon receipt by the Trustee from the Association of the corresponding Assignment Agreement and satisfaction of the conditions set forth in Section 304 hereof, the Trustee shall issue a Series of Certificates that shall correspond to the Lease or Leases created by a particular Schedule or Schedules; and

WHEREAS, the Trustee has agreed to hold the proceeds corresponding to such Series of Certificates and to disburse such proceeds in accordance herewith and with the Master Lease, and to receive Basic Lease Payments due under the Lease or Leases created by a particular Schedule or Schedules and apply and disburse same in accordance herewith; and

WHEREAS, by this Trust Agreement, the Association agrees to direct the School Board to forward the Basic Lease Payments due under the Lease created by a particular Schedule to the Trustee from and after the execution of the corresponding Assignment Agreement by the Association;

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

101. **Definitions.** The terms set forth in this section shall have the meanings ascribed to them for all purposes of this Trust Agreement unless the context clearly indicates some other meaning, or unless otherwise provided in a Supplemental Trust Agreement. Terms used herein and not otherwise defined shall have the meaning given to them in the Master Lease.

"Acquisition Account" shall mean any Acquisition Account established pursuant to Section 401 hereof and in any Supplemental Trust Agreement.

"Additional Lease Payment" shall mean any amount payable by the School Board under the terms of the Master Lease, other than a Basic Lease Payment, as set forth in a Schedule to the Master Lease and so designated.

"Assignment Agreement" shall mean any assignment agreement pursuant to which the Association shall have assigned to the Trustee all of its right, title and interest in and to the Lease or Leases created by one or more particular Schedules, including its right to receive Lease Payments thereunder.

"Association" shall mean Florida School Boards Association, Inc., a not-for-profit corporation organized and existing under the laws of the State of Florida, its successors and assigns.

"Authorized Association Representative" shall mean the President, any Vice-President, Secretary or Assistant Secretary or any person or persons designated by a resolution of the Association signed by any two of the above-named officers and filed with the Trustee, containing the specimen signature of each such person.

"Authorized Newspaper" shall mean a newspaper containing financial matters, customarily published at least once a day for at least five days (other than legal holidays) in each calendar week, printed in the English language, and of general circulation in the Borough of Manhattan, City and State of New York.

"Authorized School Board Representative" shall mean the Chairman and any person or persons designated by the Chairman and authorized to act on behalf of the School Board by a written certificate signed on behalf of the School Board by the Chairman containing the specimen signature of each such person.

"Basic Lease Payment" shall mean, with respect to each Lease or each Facility financed under such Lease, as of each Lease Payment Date, the amount set forth on the appropriate Schedule of the Master Lease corresponding to such Lease Payment Date and designated as a Basic Lease Payment in such Schedule.

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"Business Day" shall mean a day other than a Saturday, Sunday or day on which banks in the State of New York or the State of Florida are authorized or required to be closed, or a day on which the New York Stock Exchange is closed.

"Certificate or Certificates" shall mean the certificates of participation, executed and delivered from time to time by the Trustee pursuant to this Trust Agreement. Each Series of Certificates issued under this Trust Agreement shall bear a Series designation to identify such Series of Certificates to a particular Schedule to the Master Lease.

"Certificate holder" or "Holder of Certificates" shall mean the registered owner of any Certificate or Certificates.

"Chairman" shall mean the Chairman of the School Board and any person or persons designated by the School Board and authorized to act on behalf of the Chairman.

"Code" means the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder and under the Internal Revenue Code of 1954.

"Contractor" shall mean the person, firm, corporation or joint venture authorized to do business in Florida with whom a contract has been made directly with the School Board for the performance of the work with respect to any Facilities described by the General Conditions.

"Cost" shall mean costs and expenses related to the acquisition, construction and installation of any Facilities including, but not limited to, (i) costs and expenses of the acquisition of the title to or other interest in real property, including leasehold interests, easements, rights-of-way and licenses, including, without limitation, lease payments to be made by the Association under the terms of a Ground Lease until the expected acceptance of the Facilities related thereto as described herein, (ii) cost and expenses incurred for labor and materials and payments to contractors, builders, materialmen and vendors for the acquisition, construction and installation of the Facilities, (iii) the cost of surety bonds and insurance of all kinds, including premiums and other charges in connection with obtaining title insurance, that may be advisable or necessary prior to completion of any of the Facilities, which is not paid by a contractor or otherwise provided for, (iv) the costs and expenses for design, test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, and for supervising construction and installation of Facilities, (v) costs and expenses required for the acquisition and installation of equipment or machinery that comprise part of the Facilities, (vi) all costs which the School Board or Association shall be required to pay for or in connection with additions to, and expansions of Facilities, (vii) all costs which the School Board shall be required to pay to provide

improvements, including offsite improvements, necessary for the use and occupancy of Facilities, including road, walkways, water, sewer, electric, fire alarms and other utilities, (viii) any sums required to reimburse the School Board or Association for advances made by either of them for any of the above items or for other costs incurred and for work done by them in connection with Facilities, (ix) deposits into any Reserve Account required pursuant to a Supplemental Trust Agreement, (x) fees, expenses and liabilities of the School Board, if any, incurred in connection with the acquisition, construction and installation of Facilities (xi) costs of Issuance and (xii) interest during construction and for a reasonable period of time up to six (6) months thereafter.

"Costs of Issuance" shall mean the items of expense incurred in connection with the authorization, sale and delivery of a Series of Certificates, which items of expense shall include, but not be limited to, document printing and reproduction costs, filing and recording fees, costs of credit ratings, initial fees and charges of the Trustee and any Credit Facility Issuer or provider of a Reserve Account Letter of Credit/Insurance Policy, legal fees and charges, professional consultants' fees, fees and charges for execution, delivery, transportation and safekeeping of Certificates, premiums, costs and expenses of refunding Certificates and other costs, charges and fees, including those of the Association, in connection with the foregoing.

"Costs of Issuance Subaccount" shall mean a Costs of Issuance Subaccount within an Acquisition Account established pursuant hereto and a Supplemental Trust Agreement in connection with the issuance of a Series of Certificates.

"Credit Facility" shall mean, with respect to a Series of Certificates, the letter of credit, insurance policy, guaranty, surety bond or other irrevocable security device, if any, supporting the obligations of the School Board to make Basic Lease Payments relating to such Certificates.

"Credit Facility Issuer" shall mean, with respect to a Series of Certificates, the issuer of the Credit Facility, if any, for such Series of Certificates.

"Defeasance Securities", except as otherwise provided in a Supplemental Trust Agreement, shall mean any of the following securities:

(1) United States Obligations, as defined in paragraph (1) of the definition of Investment Securities.

(2) U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series -- "SLGSs"), direct obligations of the United States Treasury which have been stripped by the Treasury itself, CATS, TIGRS and similar securities and obligations issued by the following agencies which are backed by the full faith and credit of the United States of America:

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- A. U.S. Export-Import Bank: Direct obligations or fully guaranteed certificates of beneficial ownership.
- B. Farmers Home Administration: Certificates of beneficial ownership.
- C. Federal Financing Bank.
- D. Federal Housing Administration Debentures.
- E. General Services Administration: Participation Certificates.
- F. U.S. Maritime Administration: Guaranteed Title XI financing.
- G. New Communities Debentures: U.S. government guaranteed debentures.
- H. U.S. Public Housing Notes and Bonds: U.S. government guaranteed public housing notes and bonds.
- J. U.S. Department of Housing and Urban Development: Project Notes; Local Authority Notes.

(3) Municipal securities, the payment of the principal of, interest and redemption premium, if any, on which are irrevocably secured by obligations described in clause (1) above or clause (1) under the definition of "Investment Securities" and which obligations are not subject to redemption prior to the date on which the proceeds attributable to the principal of the obligations are to be used and have been deposited in an escrow account which is irrevocably pledged to the payment of the principal of and interest and redemption premium, if any, on such municipal securities, and which municipal securities are rated "AAA" and "Aaa" by the Rating Agencies.

"District" shall mean the School District of Lee County, Florida.

"Excess Earnings" shall mean, with respect to each Series of Certificates, the amount by which the earnings on the Gross Proceeds of such Certificates exceeds the amount which would have been earned thereon if such Gross Proceeds were invested at a yield equal to the yield on the interest portion of the Basic Lease Payments represented by such Certificates, as such yield is determined in accordance with the Code and amounts earned on the investment of earnings on the Gross Proceeds of such Certificates.

"Facility" or "Facilities" shall mean the real property, buildings, improvements, equipment, fixtures, furnishings built, installed or established therein, and all appurtenances thereto and interests therein, set forth on a Schedule.

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guaranteed as to timely payment of principal and interest by the United States of America, (c) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or (d) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated (collectively "United States Obligations"). These include, but are not necessarily limited to:

- U.S. Treasury obligations
 - All direct or fully guaranteed obligations
 - Farmers Home Administration
 - Certificates of beneficial ownership
 - General Services Administration
 - Participation certificates
 - U.S. Maritime Administration
 - Guaranteed Title XI financing
 - Small Business Administration
 - Guaranteed participation certificates
 - Guaranteed pool certificates
 - Government National Mortgage Association (GNMA)
 - GNMA-guaranteed mortgage-backed securities
 - GNMA-guaranteed participation certificates
 - U.S. Department of Housing & Urban Development
 - Local authority bonds
 - Washington Metropolitan Area Transit Authority
 - Guaranteed transit bonds
 - U.S. Export-Import Bank
 - All fully guaranteed obligations
- (2) Federal Housing Administration debentures.

(3) Obligations of government-sponsored agencies which are not backed by the full faith and credit of the U.S. government:

- Federal Home Loan Mortgage Corporation (FHLMC)
- Participation certificates
- Debt obligations
- Farm Credit Banks (formerly: Federal Land Banks, Federal Intermediate Credit Banks, and Banks for Cooperatives)
- Consolidated systemwide bonds and notes
- Federal Home Loan Banks (FHL Banks)
- Consolidated debt obligations
- Letter of credit (LOC)-backed issues

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"Facility Site" shall mean the real property upon which a Facility is to be located within the District and more particularly described in a Ground Lease.

"Fiscal Year" shall mean the twelve month fiscal period of the School Board which under current law commences on July 1 in every year and ends on June 30 of the succeeding year.

"General Conditions" shall mean the General Conditions and Supplementary General Conditions of the School Board as in effect from time to time with respect to any Project.

"Gross Proceeds" shall mean, with respect to each Series of Certificates, unless inconsistent with the provisions of the Code, in which case the meaning shall be as provided in the Code, (i) amounts received by or on behalf of the Association from the sale of such Certificates; (ii) amounts received as a result of investments of amounts described in (i); (iii) amounts treated as transferred proceeds of such Certificates in accordance with the Code; (iv) amounts treated as proceeds under the provisions of the Code relating to invested sinking funds; (v) securities or obligations pledged, if any, as security for payment of Basic Lease Payments under the Master Lease (which amounts are limited in accordance with Sections 235.056(3) and 236.25(2)(e) Florida Statutes, as amended); (vi) amounts received with respect to obligations acquired with Gross Proceeds; (vii) amounts used to pay principal and interest portions of the Basic Lease Payments represented by such Certificates; (viii) amounts in any Reserve Account established pursuant to a Supplemental Trust Agreement; and (ix) amounts received as a result of the investment of Gross Proceeds not described in (i) above.

"Ground Lease" shall mean one or more ground leases between the School Board and the Association, as amended and supplemented from time to time, pursuant to which the School Board shall ground lease one or more Facility Sites to the Association.

"Investment Agreement", except as otherwise provided in a Supplemental Trust Agreement, shall mean an agreement for the investment of moneys entered into by the Trustee with a Qualified Financial Institution, meeting the requirements of paragraph (10) of the definition of Investment Securities which agreement shall have been approved by the Credit Facility Issuer insuring the Series of Certificates relating to the moneys invested.

"Investment Securities", except as otherwise provided in a Supplemental Trust Agreement, shall mean any of the following securities, if and to the extent the same are at the time legal under State law for investment of the School Board's funds:

- (1) (a) Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America, (b) obligations fully and unconditionally

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- Federal National Mortgage Association (FNMA)
- Senior debt obligations
- Mortgage-backed securities (excluded are stripped mortgages securities which are valued greater than par on the portion of unpaid principal)
- Student Loan Marketing Association (SILMA)
- Senior debt obligations (excluding securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date)
- Financing Corporation (FICO)
- Debt obligations
- Resolution Funding Corporation (REFCORP)
- Debt obligations

(4) Unsecured certificates of deposit, time deposits, and bankers' acceptances (having maturities of not more than 30 days) of any bank the short-term obligations of which are rated 'A-1' or better by S&P.

(5) Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), in banks which have capital and surplus of at least \$5 million.

(6) Commercial paper (having original maturities of not more than 270 days) rated 'A-1+' by S&P and 'Prime-1' by Moody's.

(7) Money market funds rated 'Aa' or 'Aa-G' by S&P, or better.

(8) Repurchase agreements:

(a) With any domestic bank with debt rated 'AA' or better by S&P, or any foreign bank rated at least 'AA' by S&P and 'Aa' by Moody's; provided the term of such repo is for one year or less.

(b) With (1) any broker-dealer with "retail customers" which has, or the parent company of which has, long-term debt rated at least 'AA' by S&P and 'Aa' by Moody's, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corp. (SIPC); or (2) any other entity approved by Financial Security, provided that:

- 1. The market value of the collateral is maintained (i) for United States Obligations at the levels shown below under "Collateral Levels for United States Obligations" and (ii) for other collateral, at levels acceptable to Financial Security;

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2. Failure to maintain the requisite collateral percentage will require the Trustee to liquidate the collateral.

3. The trustee or a third party acting solely as agent for the trustee has possession of the collateral or that the collateral has been transferred to the Trustee in accordance with applicable state and federal laws (other than by means of entries on the Repo entity's books);

4. An opinion is rendered that the trustee has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the trustee is in possession);

5. The collateral is free and clear of any third-party liens or claims;

6. An opinion is rendered that the repo is a "repurchase agreement" as defined in the United States Bankruptcy Code;

7. There is or will be a written agreement governing every repo transaction and

8. The Trustee represents that it has no knowledge of any fraud involved in the repo transaction.

(9) State obligations

(a) Direct general obligations of any state of the United States or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated "Aa" by Moody's and 'A' by S&P, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.

(b) Direct, general short-term obligations of any state agency or subdivision described in (a) above and rated 'A-1+' by S&P and 'Prime-1' by Moody's.

(c) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (a) above and rated 'AA' or better by S&P and 'Aa' or better by Moody's.

(10) Investment Agreements with (1) a domestic bank the long-term debt of which is rated at least 'AA' by S&P and 'Aa' by Moody's; (2) a foreign bank the long-term debt of which is rated 'AAA' by S&P and at least 'Aa' by Moody's, or at least 'AA' by S&P and 'Aaa' by Moody's; provided, that, by the terms of the Agreement:

(a) Interest payments are to be made to the Trustee at times and in amounts as necessary to pay debt service (or, if the agreement is for the construction fund, construction draws) on the insured bonds;

(b) The invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven days' prior notice (which notice may be amended or withdrawn at any time prior to the specified withdrawal date); provided that the Trust Agreement specifically requires the Trustee to give notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;

(c) The investment agreement is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof;

(d) A fixed guaranteed rate of interest is to be paid on invested funds and all future deposits, if any, required to be made to restore the amount of such funds to the level specified under the Trust Agreement;

(e) The terms of the agreement does not exceed seven years;

(f) The Trustee receives the opinion of counsel (which opinion shall be addressed to the School Board and the Credit Facility Issuer) that such investment agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms; and

(g) The investment agreement must provide that if during its term (i) the provider's rating by either Moody's or S&P is withdrawn or suspended or falls below 'A', the provider must, at the direction of the School Board or the Trustee (who shall give such direction if so directed by the Credit Facility

Issuer), within 10 days of receipt of such direction, either (a) collateralize the investment agreement as specified under the collateralization requirements for repurchase agreements or (b) repay the principal of and accrued but unpaid interest on the investment (the choice of (a) or (b) above shall be that of the School Board or Trustee, as appropriate), and (ii) the provider's rating by either Moody's or S&P falls below 'BBB+' or 'Baa-1+', respectively, the provider must, at the direction of the School Board or the Trustee (who shall give such direction if so directed by the Credit Facility Issuer), within 10 days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the Issuer or Trustee.

(11) Pre-refunded municipal obligations rated "AAA" by Standard & Poor's Corporation and "Aaa" by Moody's Investors Service meeting the following requirements:

(a) The municipal obligations are (i) not subject to redemption prior to maturity or (ii) the Trustee has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligation other than as set forth in such instructions;

(b) The municipal obligations are secured by cash or United States Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

(c) The principal of and interest on the United States Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations ("Verification");

(d) The cash or United States Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

(e) No substitution of a United States Obligation shall be permitted except with another United States Obligation and upon delivery of a new Verification; and

(f) The cash or United States Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

(12) Subject to the prior written approval of the Credit Facility Issuer, such other obligations as shall be permitted to be legal investments of the School Board by the laws of the State.

(13) Units of participation in the Local Government Surplus Funds Trust Fund Established pursuant to Part IV, Chapter 218, Florida Statutes, as amended or any similar common trust fund which is established pursuant to State law as a legal depository of public funds.

(14) Investments made pursuant to the U.S. Treasury Advisory Program for Florida School Boards.

Collateral Levels For United States Obligations

Frequency of valuation	Remaining Maturity				
	1 year or less	5 years or less	10 years or less	15 years or less	30 years or less
Daily	102	105	106	108	114
Weekly	103	111	112	114	120
Monthly	105	117	120	125	133
Quarterly	107	120	130	133	140

Further Requirements: (1) on each valuation date the market value of the collateral will be an amount equal to the requisite collateral percentage of the obligation (including unpaid accrued interest) that is being secured. (2) In the event the collateral level is below its collateral percentage on a valuation date, such percentage shall be restored within the following restoration periods: one business day for daily valuations, two business days for weekly and monthly valuations, and one month for quarterly valuations. The use of different restoration periods affect the requisite collateral percentage. (3) The Trustee to terminate the repurchase agreement upon a failure to maintain the requisite collateral percentage after the restoration period and, if not paid by the counterparty in federal funds against transfer of the repo securities, liquidate the collateral.

"Lease" shall mean each separate Schedule to the Master Lease executed and delivered by the School Board and the Association, together with the terms and provisions of the Master Lease.

"Lease Payment Account" shall mean any Lease Payment Account established pursuant to Section 401 hereof and in any Supplemental Trust Agreement.

"Lease Payment Date" shall mean, with respect to a Lease, each date set forth on the corresponding Schedule designated as a Lease Payment Date for such Lease.

"Lease Payments" shall mean all amounts payable by the School Board pursuant to the terms of a Lease including Basic Lease Payments, Additional Lease Payments and Supplemental Payments.

"Lease Term" shall mean the period during which a Lease is in effect as specified in the Schedule corresponding to such Lease.

"Master Lease" shall mean the Master Lease Purchase Agreement dated as of August 15, 1991, between the Association and the School Board and any and all modifications, alterations, amendments and supplements thereto.

"Net Proceeds" shall mean, with respect to one or more Facilities financed under a Lease, proceeds from any insurance, condemnation, performance bond, Federal or State flood disaster assistance or any other financial guaranty paid with respect to such Facilities remaining after payment therefrom of all reasonable expenses, including attorneys' fees, incurred in the collection thereof; and, with respect to insurance, to the extent that the School Board elects to self-insure under Section 5.3 of the Master Lease, any moneys payable from any appropriation made by the School Board in connection with such self-insurance.

"Notice by Mail" shall mean a written notice meeting the requirements of this Trust Agreement mailed by first-class mail to the Certificate holders, at the addresses shown on the register maintained by the Trustee.

"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 School Board or Special Tax Counsel) selected by the School Board.

"Outstanding" when used with reference to the Certificates, shall mean, as of any date, Certificates theretofore or thereupon being authenticated and delivered under this Trust Agreement except:

(i) Certificates cancelled by, or duly surrendered for cancellation to, the Trustee at or prior to such date;

(ii) Certificates (or portions of Certificates) for the payment or prepayment of which moneys, equal to the principal portion or Prepayment Price thereof, as the case may be, with interest to the date of maturity or Prepayment Date, shall be held in trust under this Trust Agreement and set aside for such payment or prepayment, (whether at or prior to the maturity or Prepayment Date), provided that if such Certificates (or portions of Certificates) are to be prepaid, notice of such prepayment shall have been given as provided in Article III of this Trust Agreement;

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"Qualified Financial Institution" shall mean a bank, trust company, national banking association or a corporation subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or the Federal National Mortgage Association or any insurance company or other corporation (i) whose unsecured obligations or uncollateralized long term debt obligations have been assigned a rating by a Rating Agency which is not lower than AA/Aa, or which has issued a letter of credit, contract, agreement or surety bond in support of debt obligations which have been so rated; or (ii) which collateralizes its obligations at all times at levels in compliance with the requirements of the Rating Agencies for ratings not lower than AA/Aa.

"Rating Agency" shall mean each of Standard & Poor's Corporation, Moody's Investors Service and any other nationally recognized rating service which shall have provided a rating on any Outstanding Certificates.

"Reimbursement Agreement" shall mean any reimbursement agreement between the School Board and any Credit Facility Issuer.

"Reserve Account" shall mean any Reserve Account established pursuant to Section 401 of the Trust Agreement and in any Supplemental Trust Agreement.

"Reserve Account Letter of Credit/Insurance Policy" shall mean the irrevocable letter or line of credit, insurance policy, surety bond or guarantee agreement issued by a Qualified Financial Institution in favor of the Trustee which is to be deposited into a Reserve Account in order to Fulfill the Reserve Requirements relating thereto.

"Reserve Requirement" shall mean, in regard to a Reserve Account to secure a Series of Certificates, such amounts, if any, as shall be provided in the Supplemental Trust Agreement Authorizing the issuance of such Series and in the Schedule relating thereto, provided such Reserve Requirement shall not exceed the lesser of (i) the maximum Principal Portion and Interest Portion of Basic Lease Payments represented by Certificates of the Series secured by such Reserve Account in the current or any subsequent Fiscal Year, (ii) one hundred twenty-five percent (125%) of the average Principal Portion and Interest Portion of Basic Lease Payments represented by Certificates of the Series secured by such Reserve Account in the current or any subsequent Fiscal Years, and (iii) ten percent (10%) of the proceeds of such Series of Certificates.

"Schedule" shall mean a schedule to the Master Lease to be executed and delivered by the School Board and the Association for each Project, as amended and supplemented from time to time, substantially in the form of Exhibit A to the Master Lease.

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(iii) Certificates in lieu of or in substitution for which other Certificates shall have been executed and delivered pursuant to Article III hereof; and

(iv) Certificates deemed to have been paid as provided in subsection 2 of Section 801 hereof.

"Payment Date" shall mean a date on which the principal portion or the interest portion of Basic Lease Payments is scheduled to be paid to Certificate holders pursuant to the terms of such Certificates.

"Prepayment Account" shall mean any Prepayment Account established pursuant to Section 401 hereof and in any Supplemental Trust Agreement.

"Prepayment Date" shall mean the date on which optional prepayment or mandatory prepayment of Basic Lease Payments represented by a Series of Certificates Outstanding shall be made pursuant to Section 306 hereof and any Supplemental Trust Agreement.

"Prepayment Price" shall mean, with respect to any Certificate, the principal amount thereof (together with the premium, if any, applicable upon an optional prepayment) payable upon prepayment thereof pursuant to such Certificate and this Trust Agreement and any Supplemental Trust Agreement, together with accrued interest represented by such Certificate to the Prepayment Date.

"Project" shall mean the lease purchase financing and construction of the Facilities set forth on a particular Schedule and, if all or a portion of such Facilities shall be comprised of real property, the ground leasing of the related Facility Site by the School Board to the Association and the subleasing of such Facility Site back to the School Board.

"Project Fund" shall mean the trust fund designated as the "Project Fund" created and established in Section 401 hereof.

"Purchase Option Price" shall mean, with respect to any Facility financed under a Lease, as of each Lease Payment Date, the Basic Lease Payment then due plus the amount so designated and set forth on the Schedule for such Facility as the Remaining Principal minus any credits pursuant to the provisions of Section 3.2 of the Master Lease, plus, an amount equal to the interest to accrue with respect to the Certificates to be prepaid as a result of the release of such Facility from the Lease, from such Lease Payment Date to the next available date for prepaying such Certificates, unless such prepayment shall occur on such Lease Payment Date, plus an amount equal to a pro-rata portion of any Additional Lease Payments then due and owing under the Lease relating to such Facility, including any prepayment premiums payable on the Certificates prepaid.

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"School Board" shall mean the School Board of Lee County, Florida, a body corporate and the governing body of the District.

"Series" or "Series of Certificates" shall mean the aggregate amount of each series of Certificates evidencing an undivided proportionate interest of the owners thereof in one or more Particular Leases and the Basic Lease Payments thereunder, issued pursuant to this Trust Agreement and a Supplemental Trust Agreement.

"Special Tax Counsel" shall mean Greenberg, Traurig, Hoffman, Lipoff, Rosen & Quentel, P.A., Miami, Florida, or any other attorney at law or firm of attorneys, of nationally recognized standing in matters pertaining to the exclusion from gross income for Federal income tax purposes of the interest on obligations issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States of America.

"State" shall mean the State of Florida.

"Superintendent" shall mean the Superintendent of Schools of the Lee County Public Schools.

"Supplemental Payments" shall mean all amounts due under a Lease other than Basic Lease Payments and Additional Lease Payments.

"Supplemental Trust Agreement" shall mean any agreement supplemental or amendatory of this Trust Agreement.

"Trust Agreement" shall mean this Master Trust Agreement dated as of August 15, 1991 entered into by and between the Association and the Trustee, and any Supplemental Trust Agreement.

"Trust Estate" shall mean all estate, right, title and interest of the Trustee in and to (a) the Basic Lease Payments, the Master Lease and each Assignment Agreement, and (b) (i) all amounts from time to time deposited in the funds and accounts created pursuant to this Trust Agreement and any Supplemental Trust Agreement in accordance with the provisions of the Master Lease and this Trust Agreement, including investment earnings thereon; and (ii) any and all monies received by the Trustee pursuant to the provisions hereof and not required by the Trustee pursuant to the School Board, the Association or the Trustee pursuant to the Master Lease or this Trust Agreement.

"Trustee" shall mean Sun Bank, National Association, Orlando, Florida, and its successors or assigns which may at any time be substituted in its place pursuant to the provisions hereof.

102. Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the

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feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies as well as natural persons.

The terms "hereby", "hereof", "hereto", "herein", "hereunder" and any similar terms, as used in this Trust Agreement, refer to this Trust Agreement.

103. **Exhibits.** The following Exhibits are attached hereto and by this reference made a part of this Trust Agreement:

- Exhibit A. FORM OF CERTIFICATE
- Exhibit B. FORM OF REQUISITION
- Exhibit C. FORM OF REQUISITION (COSTS OF ISSUANCE)

ARTICLE II

ASSIGNMENT; DECLARATION OF TRUST; REPRESENTATIONS

201. **Assignment Agreements.** The Association shall assign and transfer to the Trustee its rights under each Lease pursuant to and to the extent described in the corresponding Assignment Agreement, and in consideration of such assignment and the execution of this Trust Agreement, the Trustee shall execute and deliver each Series of Certificates, evidencing an undivided proportionate interest of the Certificate holders in Basic Lease Payments under the corresponding Lease. In consideration of each assignment and the execution of this Trust Agreement, the Trustee shall agree in a Supplemental Trust Agreement to authenticate and deliver a Series of Certificates, each evidencing an undivided proportionate interest of the Certificate holders of such Series of Certificates in Basic Lease Payments under the corresponding Lease.

202. **Declaration of Trust by Trustee.** The Trustee hereby declares that it holds and will hold the Trust Estate conferred on it by the Association hereunder upon the trusts and apply the amounts as hereinafter set forth for the use and benefit of the Certificate holders, as more particularly set forth in Section 305 hereof.

203. **Representations.** In the Master Lease, the School Board has agreed to acquire, construct and install the Facilities as agent for the Association pursuant to specifications prepared by the School Board and that the School Board will be responsible for the letting of contracts for the acquisition, construction and installation of the Facilities and supervising the acquisition, construction and installation of the Facilities.

204. **Description and Estimated Costs of Facilities.** The description of the Facilities to be acquired, constructed and installed and leased by the School Board from the Association pursuant to the Master Lease and each Schedule and the estimated costs of such Facilities shall be set forth in the related Schedule to the Master Lease.

205. **Conditions Precedent Satisfied.** Each party hereto, represents with respect to itself that all acts, conditions and things required by law to exist, happen and be performed precedent to and in connection with the execution and delivery of this Trust Agreement have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto each represents as to itself that it is now duly empowered to execute and deliver this Trust Agreement.

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ARTICLE III

CERTIFICATES; TERMS AND PROVISIONS

301. **Authorization of Certificates.**

(a) The number of Series of Certificates which may be created under this Trust Agreement is not limited. The aggregate principal amount of Certificates of each Series which may be issued, authenticated and delivered under this Trust Agreement is not limited except as set forth in the Supplemental Trust Agreement creating such Series.

(b) The Certificates issuable under this Trust Agreement shall be issued in such Series as may from time to time be created in connection with one or more Schedules. Each Series shall be designated "Certificates of Participation, Series 1991A, Evidencing an Undivided Proportionate Interest of the Registered Owners thereof in Basic Lease Payments to be Made by the School Board of Lee County, Florida as Lessee, Pursuant to a Master Lease Purchase Agreement with Florida School Boards Association, Inc. as Lessor". The Certificates may, if and when authorized by this Trust Agreement, be designated with such further appropriate particular designations added to or incorporated in such title for the Certificates of any particular Series as the Board may determine and as may be necessary to distinguish such Certificates from the Certificates of any other Series.

302. **Execution and Delivery of Certificates.** Each Series of Certificates shall be authorized by the Association at the request of the School Board and executed and delivered by the Trustee for the purpose of (a) financing the cost of acquisition, construction and equipping of any Facilities, (b) financing the cost of completing the acquisition, construction, installation and equipping of any Facilities, (c) financing the cost of increasing, improving, modifying, expanding or replacing any Facilities, (d) paying or providing for the payment of the principal portion and interest portion of the Basic Lease Payments with respect to, or the Purchase Option Price of, all or a portion of the Facilities financed from the proceeds of any Series of Certificates theretofore executed and delivered, (e) funding a Reserve Account in an amount equal to the Reserve Requirement applicable thereto, (f) capitalizing the interest portion of Basic Lease Payments during construction and (g) paying the Costs of Issuance applicable thereto.

Each Series of Certificates shall be substantially in the form set forth in Exhibit A hereto, with such appropriate variations, omissions and insertions as necessary to conform to the provisions of this Trust Agreement, including any use of a book entry only systems as described in Section 317 hereof. All Certificates may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rule and regulations of any governmental authority or of any securities

exchange on which the Certificates may be listed or any usage or requirement of law with respect thereto.

303. **Terms of Series of Certificates.** Certificates may be executed and delivered at any time and from time to time in one or more Series, upon such terms and conditions as may then be permitted by law and as shall be determined by the Association and provided in the respective Supplemental Trust Agreement under which such Series of Certificates are authorized. Certificates of any Series:

(a) shall be dated, shall represent interest at a rate not in excess of the maximum rate then permitted by applicable law, and shall be payable and mature in such amounts and at such time or times, as may be provided in the Supplemental Trust Agreement creating such Series of Certificates;

(b) shall be payable, as to the principal portion, Prepayment Price, if any, and interest portion of such Series of Certificates, at such place or places in lawful money of the United States of America and may have such registration privileges and such exchange privileges as may be provided in the Supplemental Trust Agreement creating such Series of Certificates and allowable under then existing law;

(c) shall have such particular designations added to their title, and shall be in such form and denominations, as provided in the Supplemental Trust Agreement creating such Series of Certificates;

(d) shall be limited as to the maximum principal amount thereof which may be delivered by the Trustee or which may be at any time Outstanding, as provided in the Supplemental Trust Agreement creating such Series of Certificates;

(e) may contain provisions for the prepayment thereof at such Prepayment Price or Prices, at such time or times, upon such notice, in such manner, and upon such other terms and conditions, not inconsistent with the provisions hereof and the terms of the Master Lease, as may be provided in the Supplemental Trust Agreement creating such Series of Certificates;

(f) may have provisions requiring mandatory payments for the purchase and sinking fund prepayment of such Series of Certificates, in such amounts, at such time or times, upon such notice, in such manner, and upon such other terms and conditions, not inconsistent with the provisions hereof and the terms of the Master Lease as shall be set forth in such Supplemental Trust Agreement;

(g) may contain such other provisions and such other special terms and conditions, not contrary to the provisions hereof, as may be provided in such Supplemental Trust Agreement;

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(h) shall be payable from and secured by the Trust Estate, but solely to the extent provided in and subject to the limitations of Section 305 hereof.

304. Conditions Precedent to Delivery of a Series of Certificates. The Trustee shall execute and deliver one or more Series of Certificates for the purposes set forth in Section 302 hereof to the purchaser or purchasers thereof as requested and authorized by the Association in accordance with the provisions of this Section 304.

Prior to the delivery by the Trustee of any Series of Certificates there shall have been received by the Trustee:

(a) A Supplemental Trust Agreement providing for the terms and conditions upon which they shall be executed and delivered by the Trustee;

(b) An executed counterpart of a corresponding Schedule to the Master Lease (or amended Schedule in the case of Certificates issued for the purposes as described in Section 302(b) above) effective on or before the date of execution and delivery of such Series of Certificates, providing for (i) Lease Payments payable under such Schedule at least equal to the principal portion of, Prepayment Price, if any, and interest portion represented by such Series of Certificates, and (ii) the disposition of the proceeds of the sale of such Series of Certificates, including the acquisition, construction, equipping or improvement of the Facilities to be financed from the proceeds of such Series of Certificates or the payment or refunding of the Series of Certificates to be paid or refunded;

(c) An executed counterpart of an Assignment Agreement, effective on or before the date of execution and delivery of such Series of Certificates, assigning and transferring to the Trustee substantially all of the rights of the Association under the Lease relating to such Series of Certificates, except for the provisions with respect to release and indemnity of the Association and the right of the Association to receive its servicing fee and notices under the Master Lease.

(d) An Opinion of Special Tax Counsel to the effect that the interest portion of the Basic Lease Payments represented by the Series of Certificates being issued is excludable from gross income for Federal income tax purposes, and, in the case of refunding Certificates, that the exclusion from gross income for Federal income tax purposes of the interest portion of the Basic Lease Payments represented by the Certificates being refunded will not be adversely affected by the issuance of the refunding Certificates being issued;

(e) A written order to the Trustee by an Authorized Association Representative to execute and deliver the Series of

Certificates to the purchaser or purchasers therein identified upon payment to the Trustee of a specified sum;

(f) Certified copies of authorizing resolutions of the Association and the School Board;

(g) Evidence of approval of the related Lease by the State Department of Education, or an opinion of Special Tax Counsel to the effect that such approval is not required;

(h) Such other documents and opinions as may be provided for in the Supplemental Trust Agreement referred to in subparagraph (a) hereof, including one or more Ground Leases (or amended Ground Leases in the case of Certificates issued for the purposes described in Section 302(b) above), or as may be required under Section 6.1 of the Master Lease; and

(i) One or more Opinions of Counsel in form and substance satisfactory to each Credit Facility Issuer to the effect that the issuance of such Series of Certificates for the purposes set forth in Section 302 is authorized by law, and the execution and delivery thereof and of the other documents described in this Section have been duly authorized by the School Board and the Association, all conditions precedent to the delivery thereof have been fulfilled and to the further effect that the execution of the Supplemental Trust Agreement is authorized or permitted hereunder.

The proceeds of such Series of Certificates shall be held and disbursed as provided in the Supplemental Trust Agreement providing for such Series of Certificates. The Trustee shall execute and deliver such Series of Certificates to the purchaser or purchasers thereof as directed and authorized in writing by an Authorized Association Representative.

Notwithstanding anything herein to the contrary, no Series of Certificates shall be issued pursuant to this Section unless the Trustee shall have received a certificate signed by an Authorized Association Representative to the effect that the Master Lease is in effect and to its knowledge there are no defaults at the time of issuance under any Lease or this Trust Agreement.

305. Payments from Trust Estate Only; Distribution of Trust Estate.

1. Unless otherwise set forth in the Supplemental Trust Agreement authorizing the issuance of more than one Series of Certificates, each Certificate within a Series of Certificates executed and delivered pursuant to this Section shall rank *pari passu* and be equally and ratably secured under this Trust Agreement with each other Certificate of such Series, but not with any Certificates of any other Series issued pursuant to this Trust Agreement and outstanding, without preference, priority or distinction of any such Certificate over any other such Certif-

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icate, except that to the extent that Basic Lease Payments available for payment to all Certificate holders are less than all amounts owed with respect to all Series of Certificates on any Payment Date, such amounts available shall be applied on a pro-rata basis to Certificate holders of all Series in accordance with the ratio that the principal balance of each Series of Certificates outstanding bears to the total amount of Certificates outstanding under this Trust Agreement.

2. Except as otherwise expressly provided in the immediately preceding paragraph and elsewhere herein, all amounts payable by the Trustee with respect to a Series of Certificates or to any Credit Facility Issuer who shall have issued a Credit Facility, if any, securing such Series pursuant to this Trust Agreement shall be paid only from the portion of the Trust Estate derived from Basic Lease Payments made pursuant to the Lease corresponding to such Series and only to the extent that the Trustee shall have actually received sufficient income or proceeds from such portion of the Trust Estate to make such payments. Each Certificate holder agrees, and each such Credit Facility Issuer, by its execution and delivery of a Credit Facility shall be deemed to have agreed, except as otherwise expressly provided herein, to look solely to the income of and the proceeds from such portion of the Trust Estate to the extent available for distribution to such holder and each such Credit Facility Issuer as herein provided and that the Trustee is not personally liable to any Certificate holder or any such Credit Facility Issuer for any amounts payable under this Trust Agreement or subject to any liability under this Trust Agreement except liability under this Trust Agreement as a result of negligence or willful misconduct by the Trustee.

3. So long as the Master Lease or related Ground Leases shall be in effect, all amounts of Lease Payments, insurance proceeds, indemnity payments and other payments of any kind constituting a part of the Trust Estate payable under this Trust Agreement or the Lease corresponding to such Series to the Trustee shall be paid directly to the Trustee for distribution, in accordance with Articles III, V, VI and VII of this Trust Agreement, to or for the Certificate holders or the related Credit Facility Issuer, as the case may be.

306. Execution.

1. The Certificates shall be executed in the name of, and by, the Trustee, as trustee under the Trust Agreement, by the manual signature of any authorized signatory of the Trustee.

2. Certificates, upon surrender thereof at the principal corporate trust office of the Trustee with a written instruction satisfactory to the Trustee, duly executed by the Certificate holder or his/her attorney duly authorized in writing, may, at the option of the Certificate holder and upon payment by such Certificate holder of any charges which the Trustee may make as provided in Section 308 hereof, be exchanged for an

equal aggregate principal amount of registered Certificates of the same series and maturity of any other authorized denominations.

307. Negotiability, Transfer and Registration.

1. The Trustee shall maintain, at its principal corporate trust office, a register of the names and addresses of all Certificate holders as of any particular time, and the Trustee shall, upon request of the School Board, furnish such information to the School Board.

2. Each Certificate shall be transferable only upon the register maintained by the Trustee, by the Certificate holder in person or by his/her attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the Certificate holder or his/her attorney duly authorized in writing. Upon the registration of transfer of any such Certificate, the Trustee shall deliver in the name of the transferee a new Certificate or Certificates of the same series, aggregate principal amount and maturity as the surrendered Certificate.

3. The person in whose name any Certificate shall be registered upon the books of the Trustee shall be treated as the absolute owner of such Certificate, whether such Certificate shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal portion or Prepayment Price, if applicable, and interest portion represented by such Certificate and for all other purposes, and all such payments so made to any such Certificate holder or upon his/her order shall be valid and effectual to satisfy and discharge the liability upon such Certificate to the extent of the sum or sums so paid, and the Trustee, the Association and the School Board shall not be affected by any notice to the contrary.

4. Certificates, upon surrender thereof at the designated corporate trust office of the Trustee, together with an assignment duly executed by the Certificate holder or his attorney or legal representative in such form as shall be satisfactory to the Trustee, may, at the option of the Certificate holder thereof, be exchanged for an equal aggregate principal amount of Certificates of the same maturity and series, of any denomination or denominations authorized by this Trust Agreement, representing interest at the same rate, and in the same form as the certificates surrendered for exchange.

308. Regulations with Respect to Exchanges and Transfers. In all cases in which the privilege of exchanging Certificates or registering the transfer of Certificates is exercised, the Trustee shall execute and deliver Certificates in accordance with the provisions of this Trust Agreement. All Certificates surrendered in any such exchanges or registrations of transfer shall forthwith be cancelled by the Trustee. For every such exchange or registration of transfer of Certificates, whether temporary or definitive,

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the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or registration of transfer. The Trustee shall not be required (a) to register the transfer of or exchange Certificates for a period of fifteen (15) days preceding any Payment Date until such Payment Date, or for a period of fifteen (15) days preceding any selection of Certificates to be prepaid until after the mailing of any notice of prepayment; or (b) to register the transfer of or exchange any Certificates called for prepayment.

309. **Certificates Mutilated, Destroyed, Stolen or Lost.** In case any certificates shall become mutilated or be destroyed, stolen or lost, the Trustee shall execute and deliver a new Certificate of the same series and of like maturity and principal amount as the Certificate so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Certificate, or in lieu of and substitution for the Certificate destroyed, stolen or lost, upon surrender of such mutilated Certificate or filing with the Trustee of evidence satisfactory to the Trustee that such Certificate has been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the Trustee with indemnity satisfactory to the Trustee and complying with such other reasonable regulations as the Trustee may prescribe and paying such expenses as the Trustee may incur. All Certificates so surrendered to the Trustee shall be cancelled by it. Any such new Certificates executed and delivered pursuant to this Section in substitution for certificates alleged to be destroyed, stolen or lost shall be equally secured by and entitled to equal and proportionate benefits, with all other Certificates of such Series delivered under the Trust Agreement and Outstanding.

310. **Temporary Certificates.** Until the definitive Certificates are prepared, the Trustee may execute and deliver, in the same manner as is provided in Section 306, in lieu of definitive Certificates, one or more temporary Certificates of the same series and substantially of the tenor of the definitive Certificates in lieu of which such temporary Certificate or Certificates are issued, in denominations of \$5,000 or any multiples thereof, and with such omissions, insertions and variations as may be appropriate for temporary Certificates. The Trustee, at the expense and direction of the School Board, shall prepare and execute and, upon the surrender of such temporary Certificates, and the cancellation of such surrendered temporary Certificates, the Trustee shall without charge to the Holder thereof, in exchange therefor, deliver definitive Certificates of the same series, of the same aggregate principal amount and maturity as the temporary Certificates surrendered. Until so exchanged, the temporary Certificates shall in all respects be entitled to the same benefits and security as definitive Certificates of the same series executed and delivered pursuant to the Trust Agreement.

311. **Privilege of Prepayment and Prepayment Price.** Certificates subject to prepayment prior to maturity pursuant to this

Trust Agreement may be prepaid, upon notice given as provided in this Article III, at such times, at such Prepayment Prices and upon such terms as specified in this Article III or in the Supplemental Trust Agreement authorizing the issuance of such Certificate.

312. **Prepayment.** Whenever by the terms of the Trust Agreement the Certificates are required to be prepaid, the Trustee shall select the Certificates to be prepaid in accordance with the provisions of Section 313 hereof. The Trustee shall select a Prepayment Date, and immediately give the notice of prepayment and pay the Prepayment Price thereof, plus interest accrued and unpaid to the Prepayment Date, in accordance with the terms of this Article III. In the case of mandatory prepayment under a Supplemental Trust Agreement, such Prepayment Date shall be not less than 5, nor more than 10 days subsequent to the giving of notice as provided in Sections 314 and 808 hereof.

313. **Selection of Certificates to be Prepaid.** If less than all of the Certificates of a Series shall be called for prepayment, the particular Certificates or portions of Certificates to be prepaid shall be in multiples of \$5,000 and, except as otherwise provided in a Supplemental Trust Agreement, such Certificates or portions of Certificates shall be prepaid in such order of maturity as shall correspond to the due dates of the principal portions of Basic Lease Payments due under the Lease by the School Board in connection with its prepayment of the Principal Portion of Basic Lease Payments represented by such Certificates or portions thereof. If less than all of the Certificates of like maturity shall be called for prepayment, the particular Certificates or portions thereof to be prepaid shall be selected by lot by the Trustee in such manner as the Trustee shall deem fair and appropriate. The portion of any Certificate of a denomination of more than \$5,000 to be prepaid shall be in the principal amount of \$5,000 or an integral multiple thereof, and, in selecting portions of such Certificates for prepayment, the Trustee shall treat each such Certificate as representing that number of Certificates of \$5,000 denomination which is obtained by dividing the principal amount of such Certificate to be prepaid in part by \$5,000.

314. **Notice of Prepayment.** When prepayment of Certificates is required pursuant to Section 312 hereof, the Trustee shall give notice of the prepayment of such Certificates, which notice shall specify the maturities of the Certificates to be prepaid, the CUSIP numbers (which shall be for informational purposes only and shall not affect the validity of such notice), the prepayment date and the place or places where amounts due upon such prepayment will be payable and, if less than all of the Certificates of a Series are to be prepaid, the letters and numbers or other distinguishing marks of such Certificates to be prepaid, and, in the case of Certificates to be prepaid in part only, such notice shall also specify the respective portions of the principal amounts thereof to be prepaid. Such notice shall further state that on such date there shall become due and payable with respect to each

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Certificate to be prepaid the Prepayment Price thereof, or the Prepayment Price of the specified portions of the principal thereof to be prepaid in part only, together with interest accrued to the Prepayment Date, and that from and after such date interest thereon shall cease to accrue and be payable. The Trustee shall mail a copy of such notice, postage prepaid, not less than 30 days before the Prepayment Date in the case of optional prepayment or mandatory prepayment resulting from damage, destruction or condemnation of Facilities or Sinking Fund Prepayment, and not less than 5 days nor more than 10 days before the Prepayment Date in the case of mandatory prepayment resulting from termination of all Leases as a result of nonappropriations or default by the School Board, to the Holders of any Certificates or portions of Certificates which are to be prepaid, at their last addresses appearing upon the registry books, but any defect in the notice to a particular Certificate holder shall not affect the validity of the proceedings for the prepayment of other Certificates. Notwithstanding anything in this Section 314 to the contrary, the Trustee shall not give notice that the Certificates are subject to optional prepayment pursuant to a Supplemental Trust Agreement unless and until the School Board shall have deposited with the Trustee to the credit of the related Prepayment Account an amount sufficient to pay in full the principal of the Certificates subject to prepayment, plus accrued interest and premium, if any, on such Certificates to the date established for such prepayment. Notice of such prepayment shall be provided to any depository not less than two days prior to mailing of such notice, to the extent available.

315. **Payment of Prepaid Certificates.** Notice having been given in the manner provided in Section 314, the Prepayment Price of the Certificates or portions thereof so called for prepayment shall become due and payable on the Prepayment Date so designated at the Prepayment Price, plus the interest portion accrued and unpaid to the Prepayment Date, and, upon presentation and surrender thereof at the office specified in such notice such Prepayment Price of the Certificates, or portions thereof shall be paid. If there shall be selected for prepayment less than all of the Certificates, the Trustee shall execute and deliver, upon the surrender of such Certificates, without charge to the owner thereof, for the aggregate balance of the principal amount of the Outstanding Certificates so surrendered, at the option of the owner thereof, Certificates of like maturity in any of the authorized denominations. If, on the Prepayment Date, moneys for the payment of the Prepayment Price of all the Certificates of a Series or portions thereof of any like maturity to be prepaid, shall be held by the Trustee so as to be available therefor on the Prepayment Date and if notice of prepayment shall have been given as aforesaid, then, from and after the Prepayment Date the interest portion of the Certificates or portions thereof of such maturity so called for prepayment shall cease to accrue and become payable. If said moneys shall not be so available on the Prepayment Date, the principal portion represented by such Certificates or portions thereof shall continue to bear interest until paid at

the same rate as would have accrued had it not been called for prepayment.

316. **Cancellation of Certificates.** All Certificates paid or prepaid, either at or before maturity, shall be delivered to the Trustee when such payment or prepayment is made, and such Certificates shall thereupon be promptly cancelled and destroyed within six months. Upon the cancellation and destruction of any Certificates by the Trustee, the Trustee shall execute a certificate of cancellation in duplicate by the signature of one of its authorized officers describing the Certificates so cancelled, and executed certificates shall be filed with the School Board and the Association and the other executed certificate shall be retained by the Trustee.

317. **Qualification for The Depository Trust Company.** The Trustee is hereby authorized to take such actions as may be necessary from time to time to qualify any Series of Certificates for deposit with The Depository Trust Company of New York, including but not limited to wire transfers of interest and principal payments with respect to such Series of certificates, utilization of electronic book entry data received from The Depository Trust Company of New York in place of actual delivery of Certificates and provision of notices with respect to Certificates registered by The Depository Trust Company of New York (or any of its designees identified to the Trustee) by overnight delivery, courier service, telegram, teletype or other similar means of communication. No such arrangements with The Depository Trust Company of New York may adversely affect the interests of any of the beneficial owners of the Certificates, provided, however, that the Trustee shall not be liable with respect to any such arrangements it may make pursuant to this Section. Without limiting the foregoing, the Trustee may deliver a Series of Certificates to a bank or trust company serving as custodian (which may be the Trustee serving in the capacity of custodian) to provide for a book-entry or similar method for the registration and registration of transfers of such Series of Certificate; provided that the holders of such Series of Certificates always may receive upon request certificates evidencing their ownership of Certificates.

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ARTICLE IV

ESTABLISHMENT AND ADMINISTRATION OF FUNDS AND ACCOUNTS; PREPAYMENT OF CERTIFICATES

401. Establishment of Project Fund. There is hereby established with the Trustee a special trust fund to be designated as the "Project Fund". The Trustee shall keep the Fund separate and apart from all other funds and moneys held by it. Within the Fund, the Trustee shall establish pursuant to each Supplemental Trust Agreement the following accounts and subaccounts for each series of Certificates: (a) an Acquisition Account and a Cost of Issuance Subaccount therein, more particularly described in Section 402 hereof; (b) a Capitalized Interest Account more particularly described in Section 403 hereof; (c) a Lease Payment Account, more particularly described in Section 404 hereof; (d) a Reserve Account, more particularly described in Section 405 hereof; and (e) a Prepayment Account, more particularly described in Section 406 hereof. The Trustee shall establish separate Acquisition Accounts, Cost of Issuance Subaccounts, Lease Payment Accounts, Reserve Accounts and Prepayment Accounts for each additional Project in the Supplemental Trust Agreement authorizing the issuance of the Series of Certificates corresponding to each such Project. The Trustee may create additional Accounts and Subaccounts in any Supplemental Trust Agreement at the request of the School Board. Each such account and subaccount shall be designated by the Trustee with the Series of the Certificates to which they relate.

On the date of delivery of each Series of Certificates the Trustee shall deposit the proceeds thereof as provided in the Schedule or Schedules and the Supplemental Trust Agreement authorizing such Series of Certificates.

402. Acquisition Account.

1. There shall be paid into each Acquisition Account the amounts required to be so paid by the provisions of the Supplemental Trust Agreement authorizing the issuance of the Series of Certificates to which such Acquisition Account relates.

2. Pursuant to an election by the School Board under Section 5.4(a) of the Master Lease, Net Proceeds with respect to any Facilities, may be deposited into the Acquisition Account established under the Supplemental Trust Agreement authorizing the issuance of the Series of Certificates to which such Acquisition Account relates.

3. The Cost (other than the Costs of Issuance) of the Facilities comprising each Project shall be paid from the amounts on deposit in the related Acquisition Account. Actual amounts paid for particular Facilities may be more or less than the estimated amounts set forth initially in a Schedule, so long as the certifications provided below can be made. The Trustee

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able to the School Board confirming the feasibility of the proposed construction; and

(viii) Certification by the School Board that adequate water, sanitary sewer and storm sewer utilities, electric power, telephone and other utilities are available to the land, or the cost of making them available is included in the School Board's acquisition and construction budget.

Before payment is made pursuant to requisition for real estate improvements, regardless of whether the underlying land was previously owned by the School Board or is being acquired with Certificate proceeds, there shall be provided to the Trustee items (i) through (viii) above with respect to the land underlying such real estate improvements.

4. Costs of Issuance of Certificates shall be paid from the related Cost of Issuance Subaccount in the related Acquisition Account upon receipt by the Trustee of a requisition substantially in the form of Exhibit C hereto, signed by an Authorized School Board Representative stating with respect to each payment to be made: (1) the requisition number, (2) the name and address of the person, firm, corporation or agency to whom payment is due, (3) the amount to be paid and (4) that such payment obligation has been properly incurred, is a Cost of Issuance for the related Project and has not been the basis of a previous withdrawal.

5. The completion of the acquisition, construction and installation of the Facilities comprising each Project financed under a particular Lease shall be evidenced by a certificate of the School Board in the form attached as Exhibit B to the Master Lease, which certificate shall be filed with the Trustee upon completion of acquisition of such Facilities. Upon the filing of such certificate any amounts remaining in the related Acquisition Account shall be either (a) transferred to the related Lease Payment Account and applied as a credit to Basic Lease Payments due under the particular Schedule with respect to which such surplus is applicable, in accordance with Section 3.2(B) of the Master Lease or (b) if there shall remain in the related Acquisition Account an amount greater than the amount of Basic Lease Payments coming due in the immediately following Fiscal Year under such Lease, transferred to the related Prepayment Account and utilized to prepay the related Series of Certificates at a price of par plus interest accrued to the date of prepayment, in the manner provided in the related Supplemental Trust Agreement.

6. In the event that a Lease Term terminates under Section 4.1 of the Master Lease prior to the completion of the acquisition, construction and installation of the Facilities comprising the related Project as evidenced by the delivery of a

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shall make such payments upon receipt of a requisition substantially in the form of Exhibit B hereto, signed by an Authorized School Board Representative certifying with respect to each payment to be made: (1) the requisition number, (2) the name and address of the person, firm, corporation or agency to whom payment is due or has been made, (3) the amount to be paid, (4) that each obligation, item of cost or expense mentioned therein has been properly incurred, is an item of Cost of the Facilities comprising the related Project and has not been the basis of any previous withdrawal, and (5) that the payment of the Cost of the Facilities comprising such Project will not cause the balance remaining in such Acquisition Account after such payment to be less than the amount necessary to pay the remaining estimated Costs to be paid from such account or that sufficient other moneys are available therefor. Payments may be made from such Acquisition Account in order to reimburse the School Board for payments previously made to pay the Costs of the Facilities comprising such Project.

Payments shall be made by the Trustee for Costs of land in accordance with the following:

- (i) Receipt by the Trustee and the related Credit Facility Issuer of a title insurance policy, if required by such Credit Facility Issuer pursuant to Section 6.1 of the Master Lease (the Trustee shall be notified in writing of such requirement);
- (ii) Receipt by the Trustee and the related Credit Facility Issuer of an Opinion of Counsel described in Section 6.1 of the Master Lease;
- (iii) An executed Schedule or Amendment to the related Schedule describing the land and the cost thereof;
- (iv) An executed Ground Lease or amendment to the related Ground Lease adding such parcel of land thereto;
- (v) A "Phase I" environmental audit prepared by an independent engineer or other qualified consultant acceptable to the applicable Credit Facility Issuer and the Association;
- (vi) A copy of a recent survey plat of the land in questions prepared, sealed and certified to the School Board and the Trustee by a licensed Florida surveyor, in form satisfactory to the School Board;
- (vii) A report on soil conditions and an engineer's certification in form and substance accept-

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certificate referred to in Section 402.5 hereof, the Trustee shall transfer all amounts remaining in the related Acquisition Account as provided in paragraph 5. above.

403. Capitalized Interest Accounts. Funds in each Capitalized Interest Account relating to a Series of certificates shall be transferred to the related Lease Payment Account in an amount necessary to pay the interest portion of Lease Payments coming due during construction represented by such Series of Certificates. Such transfer shall be made on each Payment Date for such Series, until the amounts in such Capitalized Interest Account are exhausted.

404. Lease Payment Accounts.

1. In addition to the moneys required to be deposited in a Lease Payment Account pursuant to Sections 401, 402 and 408 and except as provided in Section 406.2, all Basic Lease Payments for the Facilities financed under a Lease shall be deposited by the Trustee in the related Lease Payment Account immediately upon their receipt. The Trustee shall pay out of such Lease Payment Account, (i) on each Payment Date, the amount required for the interest portion of the Basic Lease Payments for such Facilities payable on such date to the related Certificate holders, (ii) on each Payment Date the amount required for the principal portion of the Basic Lease Payments for such Facilities payable on such date to the related Certificate holders, and (iii) in the event of the termination of the related Lease Term pursuant to Section 4.1(d) of the Master Lease for deposit in the related Prepayment Account to be applied to the prepayment of the related Certificates pursuant to Section 315 hereof amounts on deposit in the related Lease Payment Account sufficient to pay the Prepayment Price of the related Certificates.

2. Pursuant to an election by the School Board under Section 5.4(b) of the Master Lease, Net Proceeds with respect to Facilities in an amount equal to less than ten percent (10%) of the remaining principal portion of the Basic Lease Payments relating to such Facilities shall be deposited in the related Lease Payment Account to be credited against Basic Lease Payments next coming due under the related Lease in accordance with Section 3.2(c) of the Master Lease.

405. Reserve Accounts. Pursuant to the Supplemental Trust Agreement authorizing the issuance of any Series of Certificates, there may be established and maintained a separate Reserve Account to secure the payment of the principal or interest portion of the Basic Lease Payments related to such Series of Certificates. Each such Reserve Account shall secure only the Series of Certificates for which it has been established.

(a) If on any Payment Date, the amounts in any Lease Payment Account are less than the interest and principal portions of Basic Lease Payments then due in relation to a Series of

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Certificates for which it was established, the Trustee shall transfer, from the related Reserve Account established in relation to such Series of Certificates to such Lease Payment Account an amount sufficient to make up any deficiency therein. In the event of any such transfer, the Trustee, shall, within five (5) days after making such transfer, provide written notice to the School Board of the amount and date of such transfer and the School Board shall, within thirty (30) days of receipt of such written notice, pay from moneys budgeted and appropriated as Basic Lease Payments during the current Fiscal Year as Supplemental Payments to the Trustee for deposit into the appropriate Reserve Account an amount necessary to cause the moneys in each such Reserve Account to be equal to the Reserve Requirement applicable thereto.

(b) The Trustee is hereby authorized to accept a Reserve Account Letter of Credit/Insurance Policy and any subsequent Reserve Account Letter of Credit/Insurance Policy provided by the School Board in satisfaction of the Reserve Requirement for a Reserve Account pursuant to Section 4.1 of the Master Lease. To the extent necessary to comply with this Section, the Trustee is hereby directed to take any and all actions required to draw on the Reserve Account Letter of Credit/Insurance Policy and any subsequent Reserve Account Letter of Credit/Insurance Policy deposited in the related Reserve Account.

(c) Moneys in each Reserve Account shall only be used for the purpose of making up for deficiencies in the Lease Payment Account relating thereto in the event that moneys therein are less than the principal and interest portion of Basic Lease Payments relating thereto then due on any Payment Date.

(d) If on any Payment Date, the amount of all payments due and payable on a Series of Certificates exceeds the amount on hand in the Lease Payment Account relating to such Series, taking into account any transfers made from the related Reserve Account which was established for the benefit of such Series pursuant to paragraphs (a) and (b) above, the Trustee shall apply the moneys on hand therein first to the payment of all past due interest portions of Basic Lease Payments represented by such Series of Certificates, and, second, to the payment of that portion of the unpaid principal portions of Basic Lease Payments represented by such Series of Certificate which is then past due, pro rata if necessary.

(e) Whenever the moneys in the related Lease Payment Account and Reserve Account shall be sufficient to pay the principal and interest portions of all Basic Lease Payments represented by a Series of Certificates, moneys in the related Reserve Account shall be deposited to the appropriate Lease Payment Account as required to pay the Series of Certificates, and no further Basic Lease Payments shall be required under the Lease relating to such Series of Certificates.

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2. All moneys held under this Trust Agreement by the Trustee shall be invested in accordance with Section 408 hereof, provided, however, that it shall not be necessary for the Trustee to give or obtain security for the deposit of any moneys held in trust and set aside by it for the payment of the principal portion or Prepayment Price of or interest portion of the Basic Lease Payments represented by any Certificates, or to give security for any moneys which shall be represented by Investment Securities purchased as an investment of such moneys.

3. All moneys deposited with the Trustee shall be credited to the particular account to which such moneys belong.

408. Investment of Certain Accounts.

1. Moneys held in each Acquisition Account, Capitalized Interest Account, Lease Payment Account, and Prepayment Account shall be invested and reinvested by the Trustee, solely as directed by an Authorized School Board Representative, to the fullest extent practicable in Investment Securities which mature not later than such times as shall be necessary to provide moneys when needed for payments to be made from such Accounts, provided that moneys in each Acquisition Account shall not be invested in Investment Agreements maturing more than three (3) years after the date of investment, and provided, further, that moneys in each Reserve Account shall be invested in Investment Securities with maturities not longer than five (5) years. The Trustee shall make all such investments of moneys held by it only as directed in accordance with instructions (which may be standing instructions) confirmed in writing, received from an Authorized School Board Representative.

2. Subject to the first sentence of Section 409, interest (net of that which represents a return of accrued interest paid in connection with the purchase of any investments and net of amounts deemed Excess Earnings) earned on any moneys or investments in an Acquisition Account shall be either (a) at the direction of an Authorized School Board Representative retained in such account until delivery of a Certificate of Acceptance, or (b) automatically transferred to the related Lease Payment Account without need for any requisition or other direction and, together with interest earnings on investments in such Lease Payment Account, applied on the next occurring Lease Payment Date as a credit against the Basic Lease Payment then due on such date under the related Lease and deemed to be payment of the interest portion thereof. Interest earned on any moneys or investments in each Cost of Issuance Subaccount shall be deposited in the related Acquisition Account. Interest and other income received by the Trustee from investments of moneys on deposit in each Reserve Account and the related Capitalized Interest Account, if any, shall, prior to delivery of a Certificate of Acceptance, be deposited in the Acquisition Account, and after such date, be deposited in the related Lease Payment Account; provided, however,

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(f) If, after the date Certificates are prepaid pursuant to the provisions of Article III and Section 4.06 hereof, the amounts in a Reserve Account established for a Series of Certificates exceed the Reserve Requirement applicable thereto then in effect, adjusted to reflect such prepayment, or the Reserve Requirement is decreased for any other reason, the Trustee shall deposit such excess to the Lease Payment Account relating to such Series of Certificates.

406. Prepayment Accounts.

1. Except as may be otherwise provided in the Supplemental Trust Agreement authorizing the issuance of a Series of Certificates, the Trustee shall apply moneys in each Prepayment Account as provided in this Section 406. Amounts in a Prepayment Account shall be applied within 35 days after deposit therein, to the prepayment of Certificates of the related Series.

2. The Trustee shall deposit in each Prepayment Account as received, all moneys, if any, paid to it for such purpose by the School Board pursuant to provisions of Section 7.2 of the Master Lease. In the event of the occurrence of an Event of Mandatory Prepayment pursuant to an election under Section 5.4(b) of the Master Lease, the Trustee shall deposit in the related Prepayment Account Net Proceeds for such purpose. Also, in the event of the occurrence of an Event of Mandatory Prepayment at the election of a Credit Facility Issuer as a result of termination of all Leases for the reasons referred to in Section 4.1(b) or 4.1(c) of the Master Lease, the Trustee shall deposit in the related Prepayment Account moneys paid by the School Board and the related Credit Facility Issuer for such purpose, and shall transfer to the related Prepayment Account moneys on hand in the related Lease Payment Account and not needed to pay the principal portion and interest portion due or past due represented by the related Series of Certificates, sufficient to pay the Prepayment Price of such Series of Certificates pursuant to Section 404 hereof. All of said moneys shall be set aside in the corresponding Prepayment Account for the purpose of prepaying a principal amount of the related Series of Certificates corresponding to the principal portion of Basic Lease Payments corresponding to the principal portion of the Purchase Option Price of all or a portion of the related Facilities, and shall be applied on or after the Prepayment Date to the payment of such principal amount of the related Series of Certificates, together with the accrued interest relating thereto, upon presentation and surrender of such Certificates.

407. Deposits of Money.

1. All moneys deposited under the provisions of this Trust Agreement with the Trustee shall be held in trust and applied only in accordance with the provisions of this Trust Agreement, and the Project Fund established by this Trust Agreement shall be a trust fund for the purposes thereof.

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that all interest and other income received by the Trustee on investment of a Reserve Account shall be retained therein in the event that amounts on deposit in such Reserve Account are less than the Reserve Requirements applicable thereto. Interest earned on moneys and investments in a Prepayment Account shall be applied on the next ensuing Prepayment Date toward payment of amounts due to the related Certificate holders, in accordance with the provisions of Article III hereof.

3. Nothing in this Trust Agreement shall prevent any Investment Securities acquired as investments of funds held under this Trust Agreement from being issued or held in book-entry form on the books of the Department of the Treasury of the United States of America.

409. Valuation and Sale of Investments. Obligations purchased as an investment of moneys in any Account created under the provisions of this Trust Agreement shall be deemed at all times to be a part of such Account and any profit realized from the liquidation of such investment shall be credited to, and any loss resulting from the liquidation of such investment shall be charged to, the computation of net interest earned on the moneys and investments of such Account.

In computing the amount in any Account created under the provisions of this Trust Agreement for any purpose provided in this Trust Agreement, obligations purchased as an investment of moneys therein shall be valued at the amortized cost of such obligations plus accrued interest. Such computation shall be determined as and when needed. Investments in the Reserve Account shall be valued annually.

Except as otherwise provided in this Trust Agreement, the Trustee shall sell at the best price reasonably obtainable or present for redemption or transfer as provided in the next sentence any obligation so purchased as an investment whenever it shall be requested in writing by the Authorized School Board Representative so to do or whenever it shall be necessary in order to provide moneys to meet any payment or transfer from any Account or sub-account held by it. In lieu of such sale or presentment for redemption, the Trustee may, in making the payment or transfer from any Account mentioned in the preceding sentence, transfer from such investment obligations or interest appertaining thereto if such investment obligations shall mature or be collectible at or prior to the time the proceeds thereof shall be needed and such transfer of investment obligations may be made in book entry form. The Trustee shall not be liable or responsible for any loss occasioned by the investment of moneys pursuant to the direction of an Authorized School Board Representative in the manner provided above.

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ARTICLE V
COVENANTS, DEFAULT AND LIMITATIONS OF LIABILITY

501. Trustee to Perform each Lease. The Trustee covenants and agrees with the Certificate holders and each Credit Facility Issuer, if any, to perform or cause to be performed all obligations and duties imposed on it as assignee of the Association of each Lease, and to enforce each Lease against the School Board.

502. Notice of Non-Payment. In the event of delinquency in the payment when due of Basic Lease Payments by the School Board pursuant to a Lease, the Trustee shall give notice to the School Board on the Business Day following the day payment was due, that such Basic Lease Payments have not been received. In the event of a delinquency in the payment when due of Additional Lease Payments or Supplemental Payments by the School Board pursuant to a Lease, the Trustee shall give notice to the School Board on the Business Day following the day payment was due (if payment was due to the Trustee) or on the Business Day following the date of receipt of notice of nonpayment from the party to whom such Additional Lease Payment or Supplemental Payment was due (if payment was due to a payee other than the Trustee).

503. Events of Default. Each of the following events is hereby declared to be an event of default hereunder:

(a) Payment of any installment of interest represented by any Certificate shall not be made when the same shall become due and payable; or

(b) Payment of any principal, whether at maturity or upon call for prepayment, or any prepayment premium with respect to any Certificate shall not be made when the same shall become due and payable; or

(c) An "Event of Default" shall occur and be continuing under Section 8.1 of the Master Lease.

In determining whether an Event of Default under paragraph (a) or (b) has occurred, no effect shall be given to payments made under a Credit Facility to the holders of Certificates of the Series secured thereby.

504. Remedies on Default or Nonappropriation. Upon the occurrence of an event of default or upon termination of the Lease Term of all Leases as a result of nonappropriation, the Trustee, with the consent or at the direction of each Credit Facility Issuer insuring a Series of Certificates, and upon receipt of indemnity, shall be entitled to enforce the rights and exercise the remedies provided in the Master Lease, as appropriate and shall, upon receipt of indemnity, pursue one or more of such remedies at the direction of the Holders of a majority in aggregate principal amount of each Series of Certificates then

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Except as otherwise provided in Section 305.1 hereof, in the case of partial payment of Basic Lease Payments, whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section, such moneys shall be applied by the Trustee at such times, and from time to time, as the Trustee, with the consent or at the direction of the related Credit Facility Issuer, shall determine, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall exercise such discretion in applying such moneys, it shall fix the date (which shall be on a Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made, and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date.

505. Account and Reports.

1. The Trustee shall keep a copy of this Trust Agreement and all Supplemental Trust Agreements and proper books of record and account in which complete and correct entries shall be made of its transactions relating to each Project and each Account established under the Trust Agreement, which shall be subject to the inspection of the Association and the School Board during normal business hours and upon reasonable notice and which shall be maintained by the Trustee at the expense of the School Board for a period of six (6) years following termination of this Trust Agreement.

2. The Trustee shall advise the Association and the School Board promptly after the end of each month of its transactions during such month relating to each Account held by it under this Trust Agreement.

506. Liability to Certificate Holders for Payment. Except as otherwise provided in this Trust Agreement, the Trustee shall have no obligation or liability to the Certificate holders with respect to the School Board's obligation to pay Basic Lease Payments when due, or with respect to the performance by the School Board of any other covenants made by it in the Master Lease.

507. Possession and Enjoyment. With respect to each Project, from and after the acceptance by the School Board of the Facilities comprising such Project in accordance with the terms of the Master Lease, the Trustee hereby agrees that it will not interfere with the Lease Terms and that the School Board shall, during such Lease Terms, peaceably and quietly have and hold and enjoy such Facilities, without suit, trouble or hindrance from the Trustee, except as expressly set forth in such Leases.

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Outstanding which is affected by such remedies, subject to the provisions of Section 707 hereof.

Any amounts collected following an event of default or non-appropriation shall be applied in accordance with the provisions of this Section and if all amounts due on the Certificates or otherwise hereunder have been fully paid (or provision for payment thereof has been made), such amounts shall be paid to the School Board.

(a) All such moneys collected in connection with a particular Lease shall be deposited into a special account established by the Trustee for the Series of Certificates relating thereto and applied:

First: To the payment of the reasonable costs of the Trustee related to such Lease, including counsel fees, any disbursements of the Trustee and its reasonable compensation;

Second: To the payment to the persons entitled thereto of all installments of the interest then due represented by the Series of Certificates related to such Lease in the order of such maturity of the installments of such interest portion, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due represented by such installment, to the persons entitled thereto, without any discrimination or preference;

Third: To the payment to the persons entitled thereto of the unpaid principal portion or Prepayment Price of the Series of Certificates related to such Lease which shall have become due whether at maturity or by call for prepayment in the order of their due dates and, if the amount available shall not be sufficient to pay in full all Certificates due on any date, then to the payment thereof ratably, according to the amount of principal portion, or Prepayment Price due on such date, to the persons entitled thereto, without any discrimination or preference;

Fourth: To the payments related to such Lease, if any, required to be paid to the Treasury Department of the United States under the Code; and

Fifth: To the payment of any ground rent or other amounts then due and payable under the corresponding Ground Lease, if any.

(b) If any Event of Mandatory Prepayment at the election of a Credit Facility Issuer shall have occurred, the Trustee shall send notice of such mandatory prepayment as required under Section 314 and shall apply all such moneys in accordance herewith and with the applicable Supplemental Trust Agreement.

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508. Warranties. THE TRUSTEE, BY ACCEPTANCE OF THE TRUST AGREEMENT, AND THE ASSOCIATION, BY DELIVERY OF THE LEASES, MAKE NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE TITLE TO, VALUE, DESIGN, CONDITION, HABITABILITY, MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF ANY OF THE FACILITIES OR PORTION THEREOF, OR AS TO THE QUALITY, CAPACITY OF THE MATERIAL OR WORKMANSHIP IN SUCH FACILITIES OR ANY WARRANTY THAT SUCH FACILITIES WILL SATISFY THE REQUIREMENTS OF ANY LAW, RULE, SPECIFICATIONS OR CONTRACT WHICH PROVIDES FOR SPECIFIC MACHINERY, OPERATORS OR SPECIAL METHODS OR ANY OTHER WARRANTY OF ANY KIND WHATSOEVER. In no event shall the Trustee be liable for any incidental, indirect, special or consequential damage in connection with or arising out of any Lease or the existence, furnishing, functioning or the School Board's use of any item or products or services provided for in any Lease.

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ARTICLE VI
CONCERNING THE TRUSTEE

601. Employment of Trustee. In consideration of the recitals hereinabove set forth and for other valuable consideration, the Trustee hereby agrees to receive, hold, invest and disburse the moneys to be paid to it pursuant to the Master Lease for credit to the various funds and accounts established by this Trust Agreement; to prepare, execute, deliver and deal with the Certificates; and to apply and disburse the Trust Estate and other moneys received pursuant to the Master Lease to the Certificate holders subject to the limitations set forth in this Trust Agreement; and to perform certain other functions, all as expressly provided in and subject to the express terms and conditions of, this Trust Agreement.

602. Trustee Acceptance of Duties.

1. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by this Trust Agreement by executing and delivering this Trust Agreement, and by executing such acceptance the Trustee shall be deemed to have accepted such duties and obligations with respect to all the Certificates thereafter to be delivered, but only, however, upon the express terms and conditions set forth herein.

2. At any and all reasonable times the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right fully to inspect all books, papers and records of the School Board pertaining to each Project and each Lease, and to take such memoranda from and with regard thereto as may be desired.

3. The Trustee shall not be required to give any bond or surety in respect of the execution of said trusts and powers or otherwise in respect of this Trust Agreement.

4. Before taking any action referred to in Article V, the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all reasonable expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its failure to comply with the standard of care prescribed by Section 612 hereof or liability which is adjudicated to have resulted from its negligence or willful misconduct.

5. The Trustee shall not be liable for any error of judgment made in good faith by any officer of the Trustee, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

6. The recitals, statements and representations in this Trust Agreement or in the Certificates, save only the Trust-

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5. The Trustee may buy, sell, own, hold and deal in any of the Certificates, and may join in any action which any Certificate holder may be entitled to take with like effect as if the Trustee were not a party to this Trust Agreement. The Trustee, either as principal or agent, may also engage in or have an interest in any financial or other transaction with the School Board or Association, and may act as depository, trustee, or agent for any committee or body of Certificate holders or other obligations of the School Board as freely as if it were not Trustee hereunder.

6. The Trustee shall not be answerable or accountable except for the performance of its duties and obligations as are specifically set forth in this Trust Agreement and except for its own willful misconduct or negligence. The permissive right of the Trustee to do things enumerated in this Trust Agreement shall not be construed as a duty.

7. No provision of this Trust Agreement shall be construed to relieve the Trustee from liability for its own negligent action, willful misconduct or negligent failure to act. However, in no event shall the Trustee be liable to any party: (a) for any losses on investments made pursuant to the direction of an Authorized School Board Representative; (b) for special, indirect or consequential damages including loss of profits or business, arising under or in connection with this Trust Agreement regardless of the form of action; (c) for the use of the proceeds of sale of any Certificates; (d) for compliance by the School Board with any covenant regarding the investments made under the provisions of Section 408 hereof.

8. The Trustee may exercise any powers hereunder and perform any duties required of it through attorneys, agents, receivers, officers or employees, and shall be entitled to advice of counsel concerning its duties hereunder and all questions hereunder. Except as otherwise provided herein, the Trustee shall not be answerable for the exercise of any discretion or power hereunder nor for any act or failure to act in connection with the trust hereunder, except only its own willful misconduct or negligence.

604. Compensation to Trustee. The School Board has agreed in the Master Lease to pay to the Trustee reasonable fees and expenses as agreed to between the School Board and the Trustee. The Trustee shall have a lien for the foregoing on the Trust Estate.

605. Resignation of Trustee. The Trustee may at any time resign and be discharged of the duties and obligations created by this Trust Agreement by giving not less than 60 days' written notice to the Association, the School Board and the Holders of all Certificates Outstanding, specifying the date when such resignation shall take effect, and such resignation shall take effect upon the day specified in such notice unless previously a succes-

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ee's execution of the Certificates, have been made by the Association and not by the Trustee; and the Trustee shall be under no responsibility for the correctness thereof. The Trustee shall not be responsible for the validity, priority, recording or filing of this Trust Agreement, the Master Lease or the Assignment Agreements, or for insuring the Facilities or collecting any insurance moneys, or for the validity of the execution by the Association of this Trust Agreement or of any supplements hereto or instruments of further assurance, or for the sufficiency of the Trust Estate, or for the value or title of the Facilities or as to the maintenance of the security hereof, except as otherwise expressly provided herein.

603. Evidence on Which Trustee May Act.

1. The Trustee, upon receipt of any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document furnished to it pursuant to any provision of this Trust Agreement shall be protected in acting upon any such instrument reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may, but shall not be obligated to, consult with recognized counsel in the field of commercial banking and corporate trust administration, who may or may not be of counsel to the School Board, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under this Trust Agreement in good faith and in accordance herewith.

2. Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Trust Agreement, such matter (unless other evidence in respect thereof be therein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of an Authorized School Board Representative, and such certificate shall be full warranty for any action taken or suffered in good faith under the provisions of this Trust Agreement upon the faith thereof. But in its discretion the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable.

3. Except as otherwise expressly provided hereunder, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision hereof by the School Board to the Trustee shall be sufficiently executed in the name of the School Board by an Authorized School Board Representative.

4. The Trustee shall not be deemed to have notice of any Event of Default hereunder except a default in the payment of Lease Payments, unless the Trustee shall have actual knowledge thereof or be specifically notified thereof in writing.

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606. Removal of Trustee. Prior to the occurrence of an event of default, or termination of the Lease Term of all Leases as a result of nonappropriation, the Trustee may be removed at any time by an instrument or concurrent instruments in writing appointing a successor, filed with the Trustee, and signed by the Association and the School Board, with cause, or by the Holders of a majority in principal amount of each Series of Certificates then Outstanding or their attorneys-in-fact duly authorized with or without cause, or by the Credit Facility Issuers insuring a majority in principal amount of each Series of Certificates then Outstanding with cause. After the occurrence of an event of default, or termination of the Lease Term of all Leases as a result of nonappropriation, the Trustee may be so removed with or without cause by the Holders of a majority in principal amount of each Series of Certificates then Outstanding or their attorneys-in-fact duly authorized, or by the Credit Facility Issuers insuring a majority in principal amount of each Series of Certificates then Outstanding.

607. Appointment of Successor Trustee.

1. In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee or of its property or affairs, a successor may be appointed by the School Board, so long as the School Board is not in default under the Master Lease and the Master Lease is in full force and effect. In the event that no appointment of a successor Trustee shall be made pursuant to the foregoing provisions within 45 days after the Trustee shall have given to the School Board written notice as provided in Section 605 or after a vacancy in the office of the Trustee shall have occurred by reason of its removal as provided in Section 606 or by reason of its inability to act, a successor Trustee may be appointed by the Holders of a majority in principal amount of each Series of Certificates then Outstanding, excluding any Certificates held by or for the account of the School Board, by an instrument or concurrent instruments in writing signed and acknowledged by such Certificate holders or by their attorneys-in-fact duly authorized and delivered to such successor Trustee, notification thereof being given to the Association, the School Board and the predecessor. For purposes of this Article VI, "appointment" of a successor Trustee shall be deemed to occur upon designation, acceptance and commencement of performance of duties by the successor Trustee.

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2. Any Trustee appointed under the provisions of this Section in succession to the Trustee shall be a bank or trust company or national banking association, having capital stock and surplus aggregating at least \$50,000,000, if there be such bank or trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Trust Agreement.

608. **Transfer of Rights and Property to Successor Trustee.** Any successor Trustee appointed under this Trust Agreement shall execute, acknowledge and deliver to its predecessor Trustee, and also to the Association and the School Board an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee; but the Trustee ceasing to act shall nevertheless, on the written request of the Association, the School Board or the successor Trustee execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any property held by it under this Trust Agreement and shall pay over, assign and deliver to the successor Trustee any money or property subject to the trusts and conditions herein set forth together with any paid but unearned fees. Should any deed, conveyance or instrument in writing from the School Board and the Association be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, power and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the School Board and the Association, without warranty and without liability therefor.

609. **Merger or Consolidation.** Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a bank or trust company organized under the laws of a state of the United States or a national banking association and shall be authorized by law to perform all the duties imposed upon it by this Trust Agreement, shall be the successor to the Trustee without the execution or filing of any paper or the performance of any further act.

610. **Addition of Authorized Signature.** In case any of the Certificates contemplated to be delivered under this Trust Agreement shall have been executed but not delivered, any successor Trustee may adopt the authorized signature of any predecessor

Trustee so executing such Certificates and deliver such Certificates so executed; and in case any of the said Certificates shall not have been executed, any successor Trustee may execute such Certificates in the name of the predecessor Trustee, or in the name of the successor Trustee, and in all such cases such certificates shall have the full force which it is anywhere in said Certificates or in this Trust Agreement provided that the certificate of the Trustee shall have.

611. **Indemnification to Trustee.** The School Board has in Section 5.7 of the Master Lease agreed, to the extent permitted by law, including the provisions of Section 768.28 Florida Statutes, to indemnify and save the Trustee harmless from and against all liabilities, including consequential damages and reasonable legal fees and expenses arising out of the administration of the trusts pursuant to this Trust Agreement, and all matters concerning the Trustee's duties and obligations with respect to the Leases and the Assignment Agreements including the issuance of the Certificates, except in the case of liability, obligations, claims and damages arising out of the Trustee's negligence or willful misconduct.

612. **Obligation to Act on Defaults.** If any Event of Default shall have occurred and be continuing, the Trustee shall, pursuant to the provisions of Article V, exercise such of the rights and remedies vested in it by this Trust Agreement and shall use the same degree of care in their exercise as a prudent man would exercise or use in the circumstances in the conduct of his own affairs; provided that if in the opinion of the Trustee such action may tend to involve expense or liability, it shall not be obligated to take such action unless it is furnished with indemnity satisfactory to it.

613. **Intervention by Trustee.** The Trustee may intervene, and upon the written request of Certificate holders of a majority in aggregate principal amount of each Series of Certificates then Outstanding or the related Credit Facility Issuer and receipt of indemnity shall intervene, on behalf of Certificate holders or the related Credit Facility Issuer in any judicial proceeding to which the School Board or the Association is a party and which in the opinion of the Trustee and its attorneys has a substantial bearing on the interests of Certificate holders. The rights and obligations of the Trustee under this Section are subject to the approval of a court of competent jurisdiction.

614. **Third Party Beneficiaries.** Each Credit Facility Issuer is hereby expressly recognized as a third party beneficiary to this Trust Agreement and, so long as the Credit Facility issued by such Credit Facility Issuer is in effect and the Credit Facility Issuer is properly honoring drawings or claims presented thereunder, it shall be entitled to enforce the obligations to the Credit Facility Issuer hereunder of the Trustee and of the School Board to the Credit Facility Issuer under the Master Lease.

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ARTICLE VII AMENDMENTS

701. **Mailing.** Any provision in this Article for the mailing of a notice or other paper to Certificate holders of a Series of Certificates shall be fully complied with if it is mailed postage prepaid only (i) to each Holder of Certificates of such Series then Outstanding at his/her address, if any, appearing upon the registry books of the Trustee, (ii) to the Credit Facility Issuer with respect to such Series of Certificates and (iii) to the Trustee.

702. **Powers of Amendment.** The Trust Agreement and the rights and obligations provided hereby may be modified or amended at any time by a Supplemental Trust Agreement, entered into between the Trustee and the Association (with the written consent of the School Board so long as the Lease Term of the Master Lease shall remain in effect and no default shall have occurred thereunder) without the consent of any Certificate holders, but only (1) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in this Trust Agreement that in the judgment of the Trustee will not have a material adverse effect on the interests of any of the Certificate holders, or (2) to insert such provisions clarifying matters which they deem necessary or desirable and which are not contrary to or inconsistent with this Trust Agreement as theretofore in effect, and that in the judgment of the Trustee will not have a material adverse effect on the interests of any of the Certificate holders, or (3) to issue one or more Series of Certificates pursuant to Article III hereof, or (4) to permit a Series of Certificates to be issued in book entry form with or without physical certificates, or (5) to make any other modification or amendment that in the judgment of the Trustee will not have a material adverse effect on the interests of any of the Certificate holders. Any modification or amendment of this Trust Agreement and of the rights and obligations of the Association and of the Holders of the Certificates hereunder, may be made by a Supplemental Trust Agreement, entered into between the Trustee and the Association with the written consent given, as provided in Section 703 hereof, of the Holders of at least a majority in principal amount of the Certificates Outstanding of each Series at the time such consent is given and who are affected by such modifications or amendments and the written consent of the School Board so long as the Lease Term of the Master Lease shall remain in effect and no default shall have occurred thereunder; provided, however, that if any such modification or amendment will, by its terms, not take effect so long as any affected Certificates remain Outstanding, the consent of the Holders of such Certificates shall not be required and such Certificates shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Certificates under this Section. No such modification or amendment shall permit a change in the terms of prepayment or maturity of the principal portion of any outstanding Certificates or of any installment of

the interest portion thereof or a reduction in the principal portion or the Prepayment Price thereof or in the interest portion thereof without the consent of the Holders of such Certificates, or shall change or modify any of the rights or obligations of the Trustee without its written assent thereto. The Trustee shall be entitled to receive an opinion of counsel as to whether or not, in accordance with the foregoing powers of amendment, Certificates of any particular Series or maturity would be affected by any modification or amendment of this Trust Agreement. Copies of all amendments hereto shall be provided to the Rating Agencies, whether effected pursuant to Section 702 or Section 703 hereof.

703. **Consent of Certificate Holders.** The Trustee and the Association (at the direction of the School Board so long as the Lease Term of the Master Lease shall remain in effect and no default shall have occurred thereunder) may at any time enter into a Supplemental Trust Agreement making a modification or amendment permitted by the provisions of Section 702 to take effect when and as provided in this Section. A copy of such Supplemental Trust Agreement (or brief summary thereof or reference thereto in form approved by the Trustee), together with a request to affected Certificate holders for their consent thereto in form satisfactory to the Trustee, shall be mailed by the Trustee to such Certificate holders (but failure to mail such copy and request shall not affect the validity of the Supplemental Trust Agreement when consented to as provided in this Section). Such Supplemental Trust Agreement shall not be effective unless and until (1) there shall have been filed with the Trustee (a) the written consents of Holders of the percentages of Outstanding Certificates specified in Section 702 and (b) an Opinion of Counsel stating that such Supplemental Trust Agreement has been duly and lawfully entered into by the parties thereto and filed with the School Board, the Trustee and the Association in accordance with the provisions of this Trust Agreement, and is valid and binding upon the parties thereto in accordance with its terms. Each such consent shall be effective only if accompanied by proof of the Holder, at the date of such consent, of the Certificates with respect to which such consent is given, which proof shall be such as is permitted by Section 802. A certificate or certificates executed by the Trustee and filed with the School Board and the Association stating that it has examined such proof and that such proof is sufficient in accordance with Section 802 shall be conclusive that the consents have been given by the Holders of the Certificates described in such certificate or certificates of the Trustee. Any such consent shall be binding upon the holder of the Certificates giving such consent and, anything in Section 802 to the contrary notwithstanding, upon any subsequent Holder of such Certificates and of any Certificates issued in exchange thereof (whether or not such subsequent Holder thereof has notice thereof) unless such consent is revoked in writing by the Holder of such Certificates giving such consent or a subsequent Holder thereof by filing such revocation with the Trustee, prior to the time when the written statement of the Trustee hereinafter in this Section 703 provided

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for is filed. The fact that a consent has not been revoked may likewise be proved by a certificate of the Trustee filed with the School Board and the Association to the effect that no revocation thereof is on file with the Trustee. At any time after the Holders of the required percentages in principal amount of Certificates shall have filed their consents to the Supplemental Trust Agreement, the Trustee shall make and file with the School Board and the Association a written statement that the Holders of such required percentages in principal amount of Certificates have filed such consents. Such written statements shall be conclusive that such consents have been so filed. At any time thereafter notice, stating in substance that the Supplemental Trust Agreement (which may be referred to as a Supplemental Trust Agreement entered into by the parties thereto on a stated date, a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages in principal amount of Certificates and will be effective as provided in this Section 703, may be given to Certificate holders by the Trustee by mailing such notice to Certificate holders (but failure to mail such notice shall not prevent such Supplemental Trust Agreement from becoming effective and binding as in this Section 703 provided). A record, consisting of the certificates or statements required or permitted by this Section 703 to be made by the Trustee, shall be proof of the matters therein stated. Such Supplemental Trust Agreement making such amendment or modification shall be deemed conclusively binding upon the School Board and the Association, the Trustee and the Holders of all Certificates affected by such Supplemental Trust Agreement at the expiration of 40 days after the filing with the Trustee of the proof of the mailing of such last mentioned notice, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Trust Agreement in a legal action or equitable proceeding for such purpose commenced within such 40 day period; provided, however, that the Trustee, the School Board and the Association during such 40 day period and any such further period during which any such action or proceeding may be pending shall be entitled in their absolute discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Trust Agreement as they may deem expedient.

704. Modifications by Unanimous Consent. The terms and provisions of this Trust Agreement applicable to a Series of Certificates and the rights and obligations of the Trustee and the Association and of the Holders of the Certificates of such Series hereunder may be modified or amended, with the written consent of the School Board in any respect upon entering into by the parties thereto of a Supplemental Trust Agreement and the consent of the Holders of all the Certificates then Outstanding of such Series, such consent to be given as provided in Section 703 except that no notice to Certificate holders by mailing shall be required.

705. Exclusion of Certificates. Certificates owned or held by or for the account of the School Board shall not be deemed Outstanding for the purpose of consent or other action or any calcu-

lation of Outstanding Certificates provided for in this Article VII, and the School Board shall not be entitled with respect to such Certificates to give any consent or take any other action provided for in this Article. At the time of any consent or other action taken under this Article, the School Board shall furnish the Trustee a certificate of an Authorized School Board Representative, upon which the Trustee may rely, describing all Certificates so to be excluded.

706. Notation on Certificates. Certificates executed and delivered after the effective date of any action taken as in this Article VII provided may, and if the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by the School Board, the Association and the Trustee as to such action, and in that case upon demand of the Holder of any Certificate Outstanding at such effective date and presentation of his/her Certificate for the purpose at the principal corporate trust office of the Trustee or upon any transfer or exchange of any Certificate Outstanding at such effective date, suitable notation shall be made on such Certificate or upon any Certificates issued upon any such transfer or exchange by the Trustee as to any such action. If the School Board, the Association and the Trustee shall so determine, new Certificates so modified as in the opinion of the Trustee, Association and the School Board to conform to such action shall be prepared, executed and delivered, and upon demand of the Holder of any Certificate then Outstanding shall be exchanged, without cost to such Certificate holder, for Certificates of the same maturity then Outstanding, upon surrender of such Certificates.

707. Credit Facility Issuers Deemed Certificate Holders. Notwithstanding any other provisions of this Trust Agreement, including without limitation this Article VII, whenever the consent or direction of a Certificate holder shall be required under this Trust Agreement, any Certificate insured or guaranteed by a Credit Facility shall be deemed to be owned by the Credit Facility Issuer issuing such Credit Facility, so long as such Credit Facility Issuer has not defaulted on its payment obligations under its Credit Facility.

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ARTICLE VIII MISCELLANEOUS

801. Defeasance.

1. If the principal portion or Prepayment Price of all Certificates, if applicable, and the interest portion due or to become due thereon, shall be paid at the times and in the manner stipulated in such Certificates and in this Trust Agreement, and all amounts owing to the Trustee and each Credit Facility Issuer under this Trust Agreement or any Reimbursement Agreement shall have been paid, then the pledge of the Trust Estate and all covenants, agreements and other obligations of the School Board under this Trust Agreement in favor of such Certificates shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall cause statements for such period or periods as shall be requested by the School Board to be prepared and filed with the School Board and, upon the request of the School Board, shall execute and deliver to the School Board all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the School Board all moneys or securities held by it pursuant to this Trust Agreement which are not required for the payment of the principal portion or Prepayment Price, if applicable, and interest portion due or to become due with respect to such Certificates not theretofore surrendered for such payment or prepayment or for the payment of amounts owing to any Credit Facility Issuer under a Reimbursement Agreement or as ground rent under any Ground Lease.

2. Certificates for the payment or prepayment of which moneys shall have been set aside sufficient to pay the principal portion, the Prepayment Price, if applicable, and interest portion to become due to maturity or earlier prepayment, shall be held in trust by the Trustee as escrow holder (through deposit by the School Board of funds for such payment or prepayment of the Purchase Option Price of one or more Facilities pursuant to Section 7.3 of the Master Lease or otherwise) shall be deemed to have been paid within the meaning and with the effect expressed in subsection 1 of this Section 801 except that the obligation of the School Board to make, or cause to be made, Basic Lease Payments from such set-aside amounts shall continue. In determining whether sufficient amounts have been set aside under this Section no effect shall be given to payments made under a Credit Facility to or for the benefit of holders of Certificates. Any Outstanding Certificates shall, prior to the maturity or Prepayment Date thereof, be deemed to have been paid within the meaning and with the effect expressed in subsection 1 of this Section 801 if the Trustee shall receive an Opinion of Counsel to that effect and (a) in case any of said Certificates are to be prepaid on any date prior to their maturity, the School Board shall have given to the Trustee irrevocable instructions in writing from an Authorized School Board Representative to mail as

provided in Article III a notice of prepayment of such Certificates (other than Certificates which have been purchased by the Trustee at the direction of the School Board or purchased or otherwise acquired by the School Board and delivered to the Trustee as hereinafter provided prior to the mailing of such notice of prepayment) on said date, (b) there shall have been deposited with the Trustee as escrow holder moneys consisting of either cash in an amount which shall be sufficient, or Defeasance Securities the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee as escrow holder at the same time, shall be sufficient, to pay when due the principal portion or Prepayment Price, if applicable, and interest portion due and to become due with respect to said Certificates on or prior to the prepayment date or maturity date thereof, as the case may be, as verified in a report of an independent firm of nationally recognized certified public accountants acceptable to the Trustee, and (c) in the event said Certificates are not by their terms subject to prepayment within the next succeeding 60 days, the School Board shall have given the Trustee in form satisfactory to it, instructions to mail a notice to the Holders of such Certificates that the deposit required by (b) above has been made with the Trustee as escrow holder and that said Certificates are deemed to have been paid in accordance with this Section 801 and stating such maturity or Prepayment Date upon which moneys are expected to be available for the payment of the principal or Prepayment Price, if applicable, of said Certificates, other than Certificates which have been purchased by the Trustee at the direction of the School Board or purchased or otherwise acquired by the School Board and delivered to the Trustee as hereinafter provided prior to the mailing of the notice of prepayment referred to in clause (a) above. The Trustee shall, if so directed by the School Board (i) prior to the maturity date of Certificates deemed to have been paid in accordance with this Section 801 which are not to be prepaid prior to their maturity date or (ii) prior to the mailing of the notice of prepayment referred to in clause (a) above with respect to any Certificates deemed to have been paid in accordance with this Section 801 which are to be prepaid on any date prior to their maturity, apply moneys deposited with the Trustee as escrow holder in respect of such Certificates or sell Defeasance Securities so deposited with the Trustee and apply the proceeds thereof to the purchase of such Certificates and the Trustee shall immediately thereafter cancel all such Certificates so purchased; provided, however, that the moneys and Defeasance Securities remaining on deposit with the Trustee after the purchase and cancellation of such Certificates shall be sufficient, as verified in a report of an independent firm of nationally recognized certified public accountants acceptable to the Trustee, to pay when due the principal or Prepayment Price, if applicable, of, and interest portion due or to become due with respect to all Certificates, in respect of which such moneys and Defeasance Securities are being held by the Trustee on or prior to the Prepayment Date or maturity date thereof, as the case may be. If, at any time (i) prior to the maturity date of Certificates deemed to

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have been paid in accordance with this Section 801 which are not to be prepaid prior to their maturity date or (ii) prior to the mailing of the notice of prepayment referred to in clause (a) with respect to any Certificates deemed to have been paid in accordance with this Section 801 which are to be prepaid on any date prior to their maturity, the School Board shall purchase or otherwise acquire any such Certificates and deliver such Certificates to the Trustee prior to their maturity date or Prepayment Date, as the case may be, the Trustee shall immediately cancel all such Certificates so delivered; such delivery of Certificates to the Trustee shall be accompanied by directions from the School Board to the Trustee as to the manner in which such Certificates are to be applied against the obligation to pay or prepay Certificates deemed paid in accordance with this Section 801. The directions given by the School Board to the Trustee referred to in the preceding sentences shall also specify the portion, if any, of such Certificates so purchased or delivered and cancelled to be applied against the obligation to pay Certificates deemed paid in accordance with this Section 801 upon their maturity date or dates and the portion, if any, of such Certificates so purchased or delivered and cancelled to be applied against the obligation to prepay Certificates deemed paid in accordance with this Section 801 on any date or dates prior to their maturity. In the event that on any date as a result of any purchases, acquisitions and cancellations of Certificates as provided in this Section 801 the total amount of moneys and Defeasance Securities remaining on deposit with the Trustee under this Section 801 is in excess of the total amount which would have been required to be deposited with the Trustee on such date in respect of the remaining Certificates in order to satisfy subclause (b) of this subsection 2 of Section 801, as verified in a report of an independent firm of nationally recognized certified public accountants acceptable to the Trustee, the Trustee shall, if requested by the School Board, pay the amount of such excess to the School Board free and clear of any trust, lien, pledge or assignment securing said Certificates or otherwise existing under this Trust Agreement. Except as otherwise provided in this subsection 2 of Section 801, neither Defeasance Securities nor moneys deposited with the Trustee pursuant to this Section 801 nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal portion or Prepayment Price, if applicable, and interest portion represented by said Certificates; provided that any cash received from such principal or interest payments on such Defeasance Securities deposited with the Trustee, (A) to the extent such cash will not be required at any time for such purpose, as verified by a certificate delivered to the Trustee by a firm of independent certified public accountants acceptable to the Trustee, shall be paid over to the School Board as received by the Trustee, free and clear of any trust, lien or pledge securing said Certificates or otherwise existing under this Trust Agreement, and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Defeasance Securities maturing at times and in amounts sufficient

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vit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a partner of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate or affidavit shall also constitute sufficient proof of his/her authority.

2. The ownership of Certificates and the amount, numbers and other identification, and date of holding the same shall be proved by the register maintained by the Trustee.

3. Any request or consent by the holder of any Certificate shall bind all future holders of such Certificate or any Certificates issued in exchange therefor or in lieu thereof in respect of anything done or suffered to be done by the School Board, the Association or the Trustee in accordance therewith.

803. Moneys Held for Particular Certificates. Subject to Section 801.3 hereof, the amounts held by the Trustee for the payment of the interest portion, principal portion or Prepayment Price due on any date with respect to particular Certificates shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Holders of the Certificates entitled thereto.

804. Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Trust Agreement shall be retained in its possession and shall be subject during normal business hours and upon reasonable prior notice to the inspection of the School Board and the Association, and any Certificate holder and their agents and their representatives, any of whom may at their own expense make copies thereof.

805. Parties Interest Herein. Subject to Section 614, nothing herein, expressed or implied, is intended or shall be construed to confer upon, or to give to, any person or corporation, other than the Association, the Trustee and the Holders of the Certificates, remedies or claims under or by reason hereof or any covenant, condition or stipulation thereof; provided that with respect to the provisions hereof which require the Trustee to give notice to the School Board, obtain the School Board's consent, pay or deliver to the School Board any moneys held by the Trustee hereunder or grant to the School Board any right or privilege whatsoever, such provisions shall also be for the benefit of the School Board and, upon the failure of the Trustee to comply therewith, the School Board shall have such rights, remedies and claims as are provided hereunder or by reason hereof or by law. All covenants, stipulations, promises and agreements herein contained by and on behalf of the Association shall be for the sole and exclusive benefit of the School Board, the Association, the Trustee and the Holders of the Certificates.

806. Reverability. If any one or more of the covenants or agreements provided in this Trust Agreement on the part of the

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to pay when due the principal or Prepayment Price, if applicable, and interest represented by said Certificates on or prior to such prepayment date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the School Board, as received by the Trustee, free and clear of any trust, lien, pledge or assignment securing said Certificates or otherwise existing under this Trust Agreement.

3. Anything in this Trust Agreement to the contrary notwithstanding, any moneys held by the Trustee in trust for the payment of any of the Certificates which remain unclaimed for six (6) years after the date when such Certificates have become due and payable, either at their stated maturity dates or by call for prepayment, if such moneys were held by the Trustee at such date, or for six (6) years after the date of deposit of such moneys if deposited with the Trustee after the said date when such Certificates became due and payable, shall be repaid by the Trustee to the School Board, as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Certificate holders shall look only to the School Board for the payment of such Certificates; provided, however, that before making any such payment to the School Board, the Trustee shall, at the expense of the School Board, cause to be published at least twice, at an interval of not less than 7 days between publications, in an Authorized Newspaper, a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall not be less than 30 days after the date of the first publication of such notice, the balance of such moneys then unclaimed will be returned to the School Board.

802. Evidence of Signatures of Certificate holders and Ownership of Certificates.

1. Except as otherwise provided in Section 707 hereof, any request, consent, revocation of consent or other instrument which this Trust Agreement may require or permit to be signed and executed by the Certificate holders may be in one or more instruments of similar tenor, and shall be signed or executed by such Certificate holders in person or by their attorneys appointed in writing. Proof of (i) the execution of any such instrument, or of an instrument appointing any such attorney, or (ii) the holding by any person of the Certificates, shall be sufficient for any purpose of this Trust Agreement (except as otherwise herein expressly provided) if made in the following manner, or in any other manner satisfactory to the Trustee, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable: the fact and date of the execution by any Certificate holder or his/her attorney of such instruments may be proved by a guarantee of the signature thereon by a bank or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit

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Association or the Trustee to be performed should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this Trust Agreement.

807. Recording and Filing. The School Board shall be responsible for the recording and filing of instruments or documents of further assurance, if any, as may be required by law in order to effectively convey the interests contemplated by the this Trust Agreement.

808. Notices. Unless otherwise specified herein, all notices, requests, demands or other communications (other than payments by the School Board) to or upon the respective parties listed below shall be deemed to have been given (i) in the case of notice by letter, when delivered to the addressee by hand or on the third day after deposit in the mails, by first class mail, postage prepaid, return receipt requested, (ii) in the case of notice by cable, when delivered to the cable company, charges prepaid, (iii) in the case of notice by telex or bank wire, when sent, answer back received, and (iv) if given by telephone when communicated to the person or to the holder of the office specified as the person or officeholder to whose attention communications are to be given, addressed to them as follows or at such other address as any of the parties may designate by written notice to the other party:

Association:

Florida School Boards Association, Inc.
203 South Monroe Street
Tallahassee, Florida 32301
Attention: President

School Board:

The School Board of Lee County, Florida
2055 Central Avenue
Fort Myers, Florida 33901
Attention: Superintendent of Schools

Trustee:

Sun Bank, National Association
225 East Robinson Street
Suite 350
Orlando, Florida 32801
Attention: Corporate Trust Division

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Rating Agencies:

Moody's Investor Service, Inc.
99 Church Street
New York, New York
Attention: Public Finance Department

Standard & Poor's Association
25 Broadway
New York, New York
Attention: Municipal Department

Credit Facility Issuers:

As set forth on the Schedule applicable to the Series of Certificates.

809. Applicable Law. This Trust Agreement shall be construed and governed in accordance with the laws of the State of Florida.

810. Binding on Successors. This Trust Agreement shall be binding upon and inure to the benefit of the parties, the Certificate holders and each Credit Facility Issuer and their respective successors and assigns.

811. Captions. Captions preceding the text of the several Articles and Sections hereof, and the table of contents, are solely for convenience of reference and shall not constitute a part of this Trust Agreement or affect its meaning, construction or effect.

812. Legal Holidays. Unless otherwise provided herein if the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Trust Agreement, is not a Business Day such payment may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided herein, and no interest shall accrue on such payments for the period after such date.

813. Execution in Counterparts. This Trust Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

814. Nonrecourse Obligation of Association. Notwithstanding anything to the contrary herein or in any exhibit, instrument, document or paper relating hereto or any of the transactions contemplated hereby, the obligations, liabilities and responsibilities of the Association for any damages, expenses, fees, charges or claims with respect to the failure of any obligations hereunder to be performed by the Association shall be payable solely out of the proceeds derived by the Association from the Project (excluding any indemnities, reimbursements, service fees or other Lease Payments, Additional Lease Payments or Supplemental Payment) and the

Association shall have no other or further liability hereunder or arising herefrom.

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

(SEAL)

FLORIDA SCHOOL BOARDS ASSOCIATION, INC.

Attest: Joseph L. Shields
Joseph L. Shields,
Assistant Secretary

By: A. Wayne Blanton
A. Wayne Blanton
Vice President

(SEAL)

SUN BANK, NATIONAL ASSOCIATION,
as Trustee

By: G.P. Kail
G.P. Kail
Senior Vice President

Attest: Jonathan W. Fox
Jonathan W. Fox
Vice President

The School Board of Lee County, Florida hereby consents to the execution of this Trust Agreement by the parties hereto and agrees to abide by the terms applicable to it herein.

THE SCHOOL BOARD OF LEE COUNTY,
FLORIDA

By: Barbara Wallace
Barbara Wallace
Chairman

STATE OF FLORIDA)
COUNTY OF Alachua) SS:

I, Jan C. Blanton, a Notary Public in and for the said county in the State aforesaid, do hereby certify that A. Wayne Blanton, and Joseph L. Shields, personally known to me to be the same persons whose names are, respectively, as Vice President and Assistant Secretary of FLORIDA SCHOOL BOARDS ASSOCIATION, INC., a Florida not-for-profit corporation, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said corporation, and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 4 day of September, 1991.

My Commission Expires:

Jan C. Blanton
Notary Public

NOTARY PUBLIC STATE OF FLORIDA
MY COMMISSION EXPIRES: AUG. 7, 1992.
RENDED THIS NOTARY PUBLIC UNDERWRITERS

[NOTARIAL SEAL]

STATE OF FLORIDA }
COUNTY OF LEE } SS:

I, S. Zamseano, a Notary Public in and for the said County in the State aforesaid, do hereby certify that G.P. Kail and Jonathan W. Fox personally known to me to be the same persons whose names are, respectively, as Senior Vice President and Vice President of Sun Bank, National Association, a national banking association, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said association, and delivered the said instrument as the free and voluntary act of said association and as their own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 5th day of September, 1991.

My Commission Expires: _____
S. Zamseano
Notary Public

[NOTARIAL SEAL]

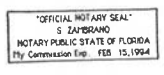


EXHIBIT A

FORM OF CERTIFICATE OF PARTICIPATION

[Front of Certificate]

REGISTERED _____ REGISTERED _____
NUMBER _____ \$ _____

CERTIFICATE OF PARTICIPATION
SERIES _____

Evidencing an Undivided Proportionate Interest of the Owner Hereof in Basic Lease Payments to be Made by THE SCHOOL BOARD OF LEE COUNTY, FLORIDA as Lessee, Pursuant to a Master Lease Purchase Agreement with Florida School Boards Association, Inc., as Lessor

INTEREST RATE _____ MATURITY DATE _____ ORIGINAL ISSUE DATE _____ CUSIP NO. _____

REGISTERED OWNER:
PRINCIPAL SUM: _____

DOLLARS

THIS IS TO CERTIFY THAT the registered owner named above is the owner of this Certificate of Participation, Series _____ (this "Certificate"), evidencing an undivided proportionate interest in Basic Lease Payments (as set forth in Schedule No. _____ to the hereinafter mentioned Master Lease Purchase Agreement (collectively, the "Series _____ Lease")) to be made by The School Board of Lee County, Florida (the "School Board") acting as the governing body of the School District of Lee County, Florida (the "District") pursuant to the Master Lease Purchase Agreement, dated as of August 15, 1991 (the "Master Lease") between Florida School Boards Association, Inc., a not-for-profit corporation duly organized and existing under the laws of the State of Florida, as lessor (the "Association"), and the School Board, as lessee. Under a Series _____ Assignment Agreement dated as of _____, _____ (the "Assignment Agreement") entered into by and between the Association and Sun Bank, National Association, Orlando, Florida, as trustee (such bank and any successor thereto hereinafter called the "Trustee"), the Association has transferred to the Trustee, for the benefit of the Certificate Holders, all of its rights under the

Series _____ Lease (except for its right to indemnification under Section 5.7 of the Master Lease, its right to receive servicing fees and its right to receive notices under the Master Lease) including its rights to receive Basic Lease Payments thereunder, with respect to the Series _____ Facilities identified in said Schedule No. _____ (the "Series _____ Facilities").

The registered owner of this Certificate ("Certificate Holder") is entitled to receive, subject to the terms of the Master Lease and the Trust Agreement (hereinafter defined), on the maturity date specified above (the "Maturity Date"), unless prepaid prior thereto as provided herein, the principal sum specified above, representing the portion of the Basic Lease Payments designated as principal and coming due on the Maturity Date, and to receive on _____ 1 and _____ 1 of each year, commencing _____ 1, _____, to and including the final Maturity Date or the date of prepayment, whichever is earlier, the interest portion of the Basic Lease Payments payable to Certificate Holders on such dates. Said amounts are payable in lawful money of the United States of America. The amounts representing principal portion and Prepayment Price shall be payable at the designated corporate trust office of the Trustee and the amounts representing interest portion shall be payable by check or draft of the Trustee mailed to the registered owner at the address of the registered owner as it shall appear on the registration books maintained by the Trustee as of the 15th day of the month next preceding the month in which such payment is due. Such interest portion may be paid by wire transfer to the registered owners of \$1,000,000 or more upon their request in writing received at least 15 days prior to any Payment Date.

The Basic Lease Payments are payable from funds appropriated by the School Board for such purpose from current or other funds authorized by law and regulations of the State of Florida Department of Education. The School Board is not legally required to appropriate moneys for this purpose. NEITHER THE SCHOOL BOARD, THE DISTRICT, THE STATE OF FLORIDA, NOR ANY POLITICAL SUBDIVISION THEREOF SHALL BE OBLIGATED TO PAY, EXCEPT FROM APPROPRIATED FUNDS, ANY SUMS DUE UNDER THE SERIES _____ LEASE FROM ANY SOURCE OF TAXATION, AND THE FULL FAITH AND CREDIT OF THE SCHOOL BOARD AND THE DISTRICT IS NOT PLEDGED FOR PAYMENT OF SUCH SUMS DUE THEREUNDER AND SUCH SUMS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE SCHOOL BOARD OR THE DISTRICT WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

THE TRUSTEE HAS NO OBLIGATION OR LIABILITY TO MAKE PAYMENTS WITH RESPECT TO THIS CERTIFICATE EXCEPT FROM FUNDS RECEIVED BY IT PURSUANT TO THE TRUST AGREEMENT REFERRED TO ON THE REVERSE HEREOF.

THE ASSOCIATION HAS NO OBLIGATION OR LIABILITY WHATSOEVER TO MAKE PAYMENTS WITH RESPECT TO THIS CERTIFICATE.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS CERTIFICATE SET FORTH ON THE REVERSE HEREOF, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH HEREIN.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Constitution and laws of the State of Florida and the Trust Agreement to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery of this Certificate have happened and have been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, this Certificate has been executed by the manual signature of an Authorized Signatory of the Trustee.

SUN BANK, NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Signatory

[Back of Certificate]

Capitalized terms used herein but not otherwise defined herein shall have the meaning given to such terms in the Trust Agreement.

All amounts payable by the Trustee with respect to this Certificate shall be paid from (i) the Basic Lease Payments received by the Trustee from the School Board pursuant to the terms of the Series _____ Lease, (ii) all amounts from time to time deposited in the funds and accounts created under the Master Trust Agreement dated as of August 15, 1991 between the Association and the Trustee (as the same may be amended and supplemented from time to time, the "Trust Agreement"), including investment earnings; (iii) any proceeds received by the Trustee upon the sale, re-letting or other disposition of the School Board's interest in the Series _____ Facilities or the pursuit of any other remedy pursuant to the Master Lease; and (iv) Net Proceeds resulting from any insurance or other financial guaranty claim or payment or any claim or condemnation award payable with respect to the Series _____ Facilities pursuant to the Master Lease and the Trust Agreement, but only to the extent that the Trustee shall have actually received sufficient income or proceeds from the Trust Estate (defined in the Trust Agreement) to make such payments. It is provided in the Master Lease that the cost and expense of the performance by the School Board of its obligations thereunder including, without limitation, the payment of all Basic Lease Payments and all other amounts required to be paid by the School Board thereunder, shall be subject to and dependent upon appropriations being duly made from time to time by the School Board for such purposes or other amounts being lawfully available therefor. The payment of the principal portion and interest portion of the Basic Lease Payments represented by the Certificates is not a liability or charge upon the credit of the Trustee or the Association, and neither the Trustee nor the Association has any obligation to make such payments, other than the Trustee's obligation to make such payments from the income from and proceeds of the sources described above.

This Certificate has been executed by the Trustee pursuant to the Trust Agreement. Copies of the Trust Agreement and the Series _____ Lease are on file at the principal corporate trust office of the Trustee, and reference to the Trust Agreement and the Series _____ Lease and any and all supplements or amendments thereto is made for a description of the funds and accounts established under the Trust Agreement for the purpose of securing the Certificates, the agreements and covenants of the School Board in the Series _____ Lease with respect to the Series _____ Project and Basic Lease Payments to be made by the School Board, the nature, extent and manner of enforcement of such agreements and covenants, the rights and remedies of the Certificate Holders with respect thereto, certain limitations relating to the issuance of additional Series of Certificates under the Trust Agreement, the manner in which the terms of the Trust Agreement may be amended, and the other terms and conditions upon which the Certificates are delivered thereunder.

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Certificate Holder's attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the Certificate Holder or such Certificate Holder's duly authorized attorney. Upon the transfer of this Certificate, the Trustee shall deliver in the name of the transferee a new Certificate or Certificates of the same aggregate principal amount and maturity as the surrendered Certificate. The Trustee may deem and treat the person in whose name this Certificate is registered upon the register of the Trustee as the absolute owner hereof for all purposes, and all such payments so made to any such Certificate Holder or upon such Certificate Holder's order shall be valid and effectual to satisfy and discharge the liability upon such Certificate to the extent of the sum or sums so paid, and the Trustee shall not be affected by any notice to the contrary.

The Certificates shall be delivered in registered form in the denominations of \$5,000 or any integral multiple of \$5,000. The Certificates, upon surrender thereof at the designated corporate trust office of the Trustee with a written instruction satisfactory to the Trustee, duly executed by the Certificate Holder or such Certificate Holder's attorney duly authorized in writing, may, at the option of the Certificate Holder and upon payment by such Certificate Holder of any charges which the Trustee may make as provided in the Trust Agreement, be exchanged for an equal aggregate principal amount of registered Certificates of the same maturity of any other authorized denominations.

Optional Prepayment

Certificates maturing on or before _____, shall not be subject to prepayment at the option of the School Board.

Certificates maturing after _____, shall be subject to prepayment on or after _____, if the School Board elects to prepay the principal portion of Basic Lease Payments due under the Series _____ Lease in whole at any time, or, in part on any Interest Payment Date, and if in part, in such order of maturity of Certificates corresponding to the due dates of the principal portion of the Basic Lease Payments under the Series _____ Lease as shall be designated by the School Board to be prepaid, and by lot within a maturity in such manner as the Trustee may determine, at the Prepayment Price expressed as a percentage of the principal portion of Basic Lease Payments represented by the Certificates or portions thereof to be prepaid as set forth opposite such period in the following table, plus the interest portion of the Basic Lease Payments represented by the Certificates accrued to the Prepayment Date:

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Reference is hereby made to the Trust Agreement and any and all supplements, modifications or amendments thereof for a description of the pledge of the Trust Estate and assignment and covenants securing the Certificates, the nature, extent and manner of enforcement of such pledge, the rights and remedies of the Holders of the Certificates with respect thereto, the terms and conditions upon which the Holders of the Certificates shall cease to be entitled to any lien, benefit or security under the Trust Agreement and for the other terms and provisions thereof and the pledge of the Trust Estate and the terms and conditions upon which all covenants of the Trustee to the Holders of such Certificates shall thereupon cease, terminate and become void and be discharged and satisfied. All covenants, agreements and obligations of the School Board under the Series _____ Lease with respect to the Series _____ Facilities or a portion thereof may be discharged and satisfied prior to the maturity or prepayment of this Certificate if moneys or certain specified securities have been deposited with the Trustee in the manner provided in the Trust Agreement.

[This Certificate shall be issued initially pursuant to a book-entry-only system administered by The Depository Trust Company, New York, New York ("DTC"), which shall act as securities depository for the Certificates, with no physical distribution of certificates to be made. Any provisions of the Trust Agreement or this Certificate requiring physical delivery of Certificates shall, under the book-entry-only system, be deemed to be satisfied by a notation on the records maintained by DTC of ownership interests of its participants ("DTC Participants") and other institutions that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly ("Indirect Participants"). DTC Participants and Indirect Participants will be responsible for maintaining records with respect to the beneficial ownership interests of individual purchasers of the Certificates ("Beneficial Owners").]

[This Certificate shall initially be issued in the name of Cede & Co. as nominee for DTC, and so long as this Certificate is held in book-entry-only form Cede & Co. shall be considered the registered owner for all purposes hereof, including the payment of principal and interest portions of Basic Lease Payments represented by this Certificate. Payment to DTC Participants shall be the responsibility of DTC. Payments by DTC Participants to Indirect Participants, and by DTC Participants and Indirect Participants to individual Beneficial Owners shall be the responsibility of DTC Participants and Indirect Participants and not of DTC, the Trustee, the Association or the School Board.]

This Certificate shall be transferable upon the registration books of the Trustee, which shall be kept at the principal corporate trust office of the Trustee upon payment of any charges required. [Except when registration of the Certificates is being maintained pursuant to a book-entry-only system,] the Certificate Holder may transfer this Certificate in person or by such

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Prepayment Period (Both Dates Inclusive)	Prepayment Price
_____ through _____	_____ %
_____ through _____	_____ %
_____ and thereafter	_____ %

Mandatory Prepayment

(a) Series _____ Certificates shall be subject to prepayment in whole or in part at any time and if in part, in such order of maturity of Series _____ Certificates corresponding to the due dates of the principal portion of Basic Lease Payments due under the Series _____ Lease as shall be designated by the School Board to be prepaid, and by lot within a maturity in such manner as the Trustee shall determine to be fair and appropriate, in an amount equal to the principal portion of Basic Lease Payments prepaid under the Series _____ Lease, at a Prepayment Price of par plus the interest accrued to the Prepayment Date, if (i) there are Net Proceeds equal to or greater than ten percent (10%) of the remaining principal portion of the Basic Lease Payments relating to the Series _____ Facilities as a result of damage, destruction or condemnation of any portion of the Series _____ Facilities and an election is made by the School Board under Section 5.4(b) of the Master Lease to apply the amount to the prepayment in part of the principal portions of Basic Lease Payments relating to the Series _____ Facilities and represented by the Series _____ Certificates, or (ii) there shall remain in the Series _____ Acquisition Account an amount greater than the amount of Basic Lease Payments coming due in the immediately following Fiscal Year under such Lease upon delivery by the School Board of a Certificate of Acceptance indicating completion of the acquisition, construction, installation and payment of all costs of the Series _____ Facilities.

(b) At the election of the Series _____ Credit Facility Issuer, Series _____ Certificates shall be subject to prepayment in whole at any time, at a Prepayment Price of par plus the interest accrued to the Prepayment Date, if the Lease Term of all Leases is terminated for the reasons referred to in Section 4.1(b) or 4.1(c) of the Master Lease.

Sinking Fund Prepayment

Certificates maturing on _____, are subject to mandatory prepayment prior to maturity in part, from payments of the principal portion of Basic Lease Payments as set forth under the Series _____ Lease, through the operation of a sinking fund on each _____ in the years and in the following amounts set forth below at a Prepayment Price of par plus the interest portion

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of the Basic Lease Payments represented by the Certificates accrued to the Prepayment Date.

1 of the Year Principal Amount \$

If less than all of the Certificates shall be called for prepayment, the particular Certificates or portions of Certificates to be prepaid shall be in multiples of \$5,000 and, except as otherwise provided above, the maturity of such Certificates or portions of Certificates to be prepaid will be determined by the Trustee.

If less than all the Certificates of like maturity shall be called for prepayment, the particular Certificates or portions thereof to be prepaid shall be selected by lot by the Trustee in such manner as the Trustee shall deem fair and appropriate. The portion of any Certificate of a denomination of more than \$5,000 to be prepaid shall be in the principal amount of \$5,000 or an integral multiple thereof, and, in selecting portions of such Certificates for prepayment, the Trustee shall treat each such Certificate as representing that number of Certificates in \$5,000 denominations which is obtained by dividing the principal amount of such Certificate to be prepaid in part by \$5,000. Interest represented by Certificates so prepaid shall be paid from the amount then available to prepay Certificates.

When prepayment of Certificates is required pursuant to the Trust Agreement, the Trustee shall give notice of the prepayment of such Certificates, which notice shall specify the maturities of the Certificates to be prepaid, the CUSIP numbers (which shall be for informational purposes only and shall not affect the validity of such notice) the prepayment date and the place or places where amounts due upon such prepayment will be payable and, if less than all of the Certificates are to be prepaid, the letters and numbers or other distinguishing marks of such Certificates to be prepaid, and, in the case of Certificates to be prepaid in part only, such notice shall also specify the respective portions of the principal amount thereof to be prepaid. Such notice shall further state that on such date there shall become due and payable upon each Certificate to be prepaid the Prepayment Price thereof, or the Prepayment Price of the specified portions of the principal thereof in the case of Certificates to be prepaid in part only, together with interest accrued to the prepayment date, and that from and after such date interest thereon shall cease to accrue and be payable. The Trustee shall mail a copy of such notice, postage prepaid, not less than 30 days before the prepayment date in the case of Optional Prepayment or Mandatory Prepayment under paragraph (a) above or Sinking Fund Prepayment for the Certificates maturing on ___/___/___ and not less than 5 days nor more than 10 days before the Prepayment Date in the case of Mandatory Prepayment

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under paragraph (b) above, to the Certificate Holders of any Certificates or portions thereof which are to be prepaid, at their last addresses appearing upon the registry books, but any defect in the notice to a particular Certificate Holder shall not affect the validity of the proceedings for the prepayment of other Certificates. Notice, to the extent available, of such prepayment shall be provided to any depository not less than two days prior to mailing of such notice.

THE OBLIGATION OF THE SCHOOL BOARD TO MAKE BASIC LEASE PAYMENTS UNDER SCHEDULE NO. ___ OF THE MASTER LEASE IS A SPECIAL AND LIMITED OBLIGATION, SUBJECT TO ANNUAL APPROPRIATION BY THE SCHOOL BOARD, AS FURTHER PROVIDED ON THE FRONT OF THIS CERTIFICATE.

[Form of Opinion of Special Tax Counsel]

[STATEMENT OF INSURANCE]

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ASSIGNMENT

For value received ___ the undersigned does hereby sell, assign and transfer unto ___ the within-mentioned Certificate and hereby irrevocably constitutes and appoints attorney, to transfer the same on the Certificate register of the Trustee with full power of substitution in the premises.

Dated: ___ Signature Guaranteed: ___

NOTE: The signature on this Assignment must correspond with the name as written on the face of the within-mentioned Certificate in every particular without alteration or enlargement or any change whatsoever.

Social Security or Other Identifying Number of Transferee: ___

The following abbreviations, when used in the inscription on the face of the within Certificate, shall be construed as though they were written out in full according to applicable laws or regulations.

- TEN COM - as tenants in common
TEN ENT - as tenants by the entireties
JT TEN - as joint tenants with the right of survivorship and not as tenants in common

UNIFORM GIFT MIN ACT - (Cust) Custodian (Minor) under Uniform Gifts to Minors Act (State)

Additional abbreviations may also be used though not in the above list.

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EXHIBIT B

REQUISITION NO. ___

\$ ___

CERTIFICATES OF PARTICIPATION SERIES ___

Evidencing Undivided Proportionate Interests of the Owners Thereof in Basic Lease Payments to be Made by THE SCHOOL BOARD OF LEE COUNTY, FLORIDA As Lessee, Pursuant to a Master Lease Purchase Agreement with Florida School Boards Association, Inc., as Lessor

TO: SUN BANK, NATIONAL ASSOCIATION, Trustee under the Master Trust Agreement dated as of August 15, 1991 with Florida School Boards Association, Inc. ("Trust Agreement")

This Requisition is made pursuant to Section 402.3 of the Trust Agreement to pay Costs of the Series ___ Facilities.

The Trustee is hereby directed to pay sums out of the Series ___ Acquisition Account as follows:

Name & Address of Payee Purpose of Payment Amount

TOTAL

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The undersigned hereby certifies that (a) each obligation, item of cost or expense herein has been properly incurred, (b) each obligation, item of cost or expense herein is an item of the Cost of the Series _____ Facilities and has not been the basis of any previous withdrawal, and (c) such payment will not cause the balance remaining in the Series _____ Acquisition Account after such payment to be less than the amount necessary to pay the remaining estimated Costs to be paid from the Series _____ Acquisition Account, or sufficient other moneys are available therefor.

Dated: _____
Authorized School Board Representative

EXHIBIT C
REQUISITION NO. _____
\$ _____
CERTIFICATES OF PARTICIPATION
SERIES _____

Evidencing Undivided Proportionate Interests of the Owners Thereof in Basic Lease Payments to be Made by THE SCHOOL BOARD OF LEE COUNTY, FLORIDA As Lessee, Pursuant to a Master Lease Purchase Agreement with Florida School Boards Association, Inc., as Lessor

TO: SUN BANK, NATIONAL ASSOCIATION
Trustee under the Master Trust Agreement dated as of August 15, 1991 with Florida School Boards Association, Inc. ("Trust Agreement")

This Requisition is made pursuant to Section 402.4 of the Trust Agreement to pay Costs of Issuance of the Certificates.

The Trustee is hereby directed to pay sums out of the Cost of Issuance Subaccount in the Series _____ Acquisition Account as follows:

Payee Purpose of Payment Amount

TOTAL \$ _____

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The undersigned hereby certifies that each payment obligation has been properly incurred, is a Cost of Issuance and has not been the basis of a previous withdrawal.

Dated: _____
Authorized School Board Representative

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SERIES 2026A SUPPLEMENTAL TRUST AGREEMENT

by and between

**LEE COUNTY SCHOOL BOARD LEASING CORPORATION
(successor in interest to Florida School Boards Association Inc.)**

and

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
(successor in interest to SunTrust Bank, Central Florida,
National Association), as Trustee**

Dated as of August 1, 2026

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WHEREAS, the Trustee, at the request of the Corporation, has agreed to issue additional Series of Certificates to provide funds for the lease-purchase financing of certain Facilities; and

WHEREAS, each Series of Certificates shall be secured independently from each other Series of Certificates, except as otherwise provided in the related Supplemental Trust Agreement; and

WHEREAS, the School Board and the Corporation have entered into (i) a Series 2016A Ground Lease dated as of October 1, 2016 (the "Series 2016A Ground Lease"), (ii) Schedule 2016A to the Master Lease dated as of October 1, 2016 ("Schedule 2016A," and together with the Master Lease, the "Original Series 2016A Lease"), pursuant to which the School Board leased certain real property to the Corporation and subleased from the Corporation such real property and leased the improvements thereon, known respectively as the "Series 2016A Facility Sites" and the "Series 2016A Facility" (collectively, the "Series 2016A Facilities"); and

WHEREAS, the Corporation assigned substantially all of its interest in the Series 2016A Ground Lease and Schedule 2016A to the Trustee pursuant to a Series 2016A Assignment Agreement dated as of October 1, 2016; and

WHEREAS, as a result of a decline in interest rates, the School Board has determined to refinance a portion of its obligations under the 2016A Lease by amending and restating Schedule 2016A; and

WHEREAS, to accomplish such refinancing the Corporation will enter into this Series 2026A Supplemental Trust Agreement with the Trustee providing for the issuance of refunding Certificates of Participation, Series 2026A (the "Series 2026A Certificates") to refund all or a portion of the Series 2016A Certificates (the "Refunded Certificates"), which Series 2026A Certificates will represent undivided proportionate interests in a portion of the principal portion and interest portion of the Basic Lease Payments to be made under the Series 2016A Lease (as hereinafter defined); and

WHEREAS, in consideration for the deposit of such prepaid Basic Lease Payments to refund the Refunded Certificates, the Board has agreed to enter into an Amended and Restated Schedule 2016A, dated as of August 1, 2026 (the "Amended and Restated Schedule 2016A" and together with the Master Lease, the "Series 2016A Lease"), with the Corporation, whereby the School Board will amend and restate Schedule 2016A in its entirety thereby continuing to lease the Series 2016A Facilities and agree to make Basic Lease Payments sufficient to pay the principal of and interest represented by the Series 2026A Certificates allocable to the Series 2016A Lease; and

WHEREAS, Series 2026A Certificates shall be secured in the manner provided in this Series 2026A Trust Agreement and shall have the terms and provisions contained in this Series 2026A Supplemental Trust Agreement; and

WHEREAS, all things necessary to make the Series 2026A Certificates, when executed by the Trustee and issued as provided herein and in the Master Trust Agreement, the valid, binding and legal obligations according to the terms thereof, have been done and performed, and the creation, execution and delivery of this Series 2026A Supplemental Trust Agreement, and the

SERIES 2026A SUPPLEMENTAL TRUST AGREEMENT

THIS SERIES 2026A SUPPLEMENTAL TRUST AGREEMENT, dated as of August 1, 2026 (the "Series 2026A Supplemental Trust Agreement"), supplementing the Master Trust Agreement, dated as of August 15, 1991 (the "Master Trust Agreement" and together with this Series 2026A Supplemental Trust Agreement, the "Series 2026A Trust Agreement"), by and between **LEE COUNTY SCHOOL BOARD LEASING CORPORATION** (the "Corporation"), a not-for-profit corporation, duly organized and existing under the laws of the State of Florida, as assignee of Florida School Boards Association, Inc. (the "Association"), as lessor under the within mentioned Master Lease, and **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION** (successor to SunTrust Bank, Central Florida, National Association), a national banking association organized and existing under the laws of the United States of America and with corporate trust powers qualified to accept trusts of the type set forth in the Series 2026A Trust Agreement, with its designated corporate trust office in Orlando, Florida (the "Trustee").

W I T N E S S E T H:

WHEREAS, The School Board of Lee County, Florida (the "School Board") has deemed it to be in its best interest to lease-purchase certain real and personal property from time to time and has entered into a Master Lease Purchase Agreement dated as of August 15, 1991, as amended as of June 29, 2020 (the "Master Lease") between the Association, as lessor, and the School Board, as lessee; and

WHEREAS, pursuant to an Assignment, Assumption and Modification Agreement (the "Assignment") dated as of January 1, 2004, by and among the Corporation, the Association, the School Board and the Trustee, the Association assigned to the Corporation, all of its right, title and interest under (a) the Master Lease and all related Schedules, (b) all Ground Leases between the Association and the School Board, (c) all Assignment Agreements between the Association and the Trustee, and (d) the Master Trust Agreement and all related Supplemental Trust Agreements, and the Corporation assumed all of the Association's obligations thereunder; and

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

WHEREAS, provision for the payment of the cost of acquiring, constructing and installing such Facilities may be made by the issuance and sale from time to time of one or more Series (as defined in the Master Trust Agreement) of Certificates of Participation issued under the Master Trust Agreement (the "Certificates"), which shall be secured by and be payable from Basic Lease Payments to be made by the School Board pursuant to the Master Lease and related Schedules; and

WHEREAS, the Trustee, at the direction of the Corporation, has issued Series of Certificates of Participation from time to time to provide funds for the lease purchase financing of certain Facilities and the refinancing of the lease-purchase of other Facilities; and

creation, execution and issuance of the Series 2026A Certificates subject to the terms thereof, have in all respects been duly authorized.

NOW, THEREFORE, THIS SERIES 2026A SUPPLEMENTAL TRUST AGREEMENT WITNESSETH:

ARTICLE I

DEFINITIONS

SECTION 101. DEFINITIONS. Words and terms that are defined in the Master Trust Agreement shall have the same meanings ascribed to them when used herein, unless the context or use indicates a different meaning or intent. In addition to the words and terms elsewhere defined in this Series 2026A Supplemental Trust Agreement, the following words and terms as used in this Series 2026A Supplemental Trust Agreement shall have the following meanings unless the context or use indicates another or different meaning or intent:

"**Amended and Restated Schedule 2016A**" shall mean the Amended and Restated Schedule 2016A dated as of August 1, 2026 relating to the Series 2016A Facilities and the Series 2026A Certificates, which shall be part of the Series 2016A Lease.

"**Business Day**" shall mean a day other than, (a) Saturday, Sunday or a day on which banks in the State of New York or banks located in each of the cities in which the principal office of the Trustee is located are required or authorized by law or executive order to close for business, and (b) a day on which the New York Stock Exchange is closed.

"**Continuing Disclosure Certificate**" shall mean that certain Disclosure Dissemination Agent Agreement dated August __, 2026, between the School Board and Digital Assurance Certification LLC, as Disclosure Dissemination Agent, executed and delivered by the School Board in connection with the issuance of the Series 2026A Certificates.

"**Outstanding Series 2016A Certificates**" shall mean the Series 2016A Certificates maturing on August 1, 2036.

"**Participating Underwriter**" shall mean any of the original underwriters of the Series 2026A Certificates required to comply with the Rule in connection with the offering of the Series 2026A Certificates.

"**Rating Agency**" shall mean each of Moody's Ratings, S&P Global Ratings, a division of S&P Global Inc. and Fitch Ratings and any nationally recognized rating service which shall have provided a rating on any Outstanding Certificates.

"**Record Date**" shall mean the fifteenth (15th) calendar day, whether or not a Business Day, of the month preceding an Interest Payment Date.

"**Refunded Certificates**" shall mean the Series 2016A Certificates maturing August 1, 2027 through August 1, 2035, inclusive.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“Series 2016A Certificates” shall mean \$61,080,000 Certificates of Participation, Series 2016A Evidencing Undivided Proportionate Interests of the Owners thereof in Basic Lease Payments to be made by The School Board of Lee County, Florida, as Lessee, Pursuant to a Master Lease Purchase Agreement with Lee County School Board Leasing Corporation, as Lessor.

“Series 2016A Facilities” shall mean the facilities described in Amended and Restated Schedule 2016A.

“Series 2016A Lease Payment Account” shall mean the Series 2016A Lease Payment Account established by the Series 2016A Trust Agreement.

“Series 2016A Trust Agreement” shall mean the Series 2016A Supplemental Trust Agreement dated as of October 1, 2016, by and between the Corporation and the Trustee.

“Series 2026A Acquisition Account” shall mean the Series 2026A Acquisition Account established in Section 301 hereof.

“Series 2026A Certificates” shall mean the \$ _____ Certificates of Participation, Series 2026A Evidencing Undivided Proportionate Interests of the Owners thereof in Basic Lease Payments to be made by The School Board of Lee County, Florida, as Lessee, pursuant to a Master Lease Purchase Agreement with the Lee County School Board Leasing Corporation, as Lessor.

“Series 2026A Cost of Issuance Subaccount” shall mean the Series 2026A Cost of Issuance Subaccount, within the Series 2026A Acquisition Account established in Section 301 hereof.

ARTICLE II

THE SERIES 2026A CERTIFICATES

SECTION 201. AUTHORIZATION OF SERIES 2026A CERTIFICATES.

(a) There is hereby created a Series of Certificates to be issued under the Master Trust Agreement to be known as “Certificates of Participation, Series 2026A, Evidencing Undivided Proportionate Interests of the Owners thereof in Basic Lease Payments to be made by The School Board of Lee County, Florida, as Lessee, pursuant to a Master Lease Purchase Agreement with the Lee County School Board Leasing Corporation, as Lessor.” The Series 2026A Certificates shall be issued for the purpose of (i) refinancing the Refunded Certificates and (ii) paying Costs of Issuance of the Series 2026A Certificates. The Series 2026A Certificates shall bear an original issue date of _____, 2026, and interest with respect thereto shall be payable from the Payment Date next preceding the date of execution and delivery to which payment has been made or provided for, unless issued prior to August 1, 2026, in which case the Series 2026A Certificates shall bear interest from _____, 2026. The Series 2026A Certificates shall be issued in the aggregate principal amount of \$ _____, shall mature in the years and principal

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its participants (“Direct Participants”) and other institutions that clear through or maintain a custodial relationship with Direct Participants, either directly or indirectly (“Indirect Participants”). The Direct Participants and Indirect Participants will be responsible for maintaining records with respect to the beneficial ownership interests of individual purchasers of the Series 2026A Certificates (“Beneficial Owners”).

The principal and interest portions of Basic Lease Payments represented by the Series 2026A Certificates shall be payable directly to Cede & Co. in care of DTC. Disbursal of such amounts to Direct Participants shall be the responsibility of DTC. Payments by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners shall be the responsibility of Direct Participants and Indirect Participants and not of DTC, the Trustee, the Corporation or the School Board.

The Series 2026A Certificates shall initially be issued in the form of one fully registered Series 2026A Certificate for each maturity and shall be held in such form until maturity. Individuals may purchase beneficial interests in the amount of \$5,000 or integral multiples thereof in book-entry-only form, without certificated Series 2026A Certificates, through Direct Participants and Indirect Participants.

DURING THE PERIOD FOR WHICH CEDE & CO. IS REGISTERED OWNER OF THE SERIES 2026A CERTIFICATES, ANY NOTICE TO BE PROVIDED TO ANY REGISTERED OWNER WILL BE PROVIDED TO CEDE & CO. DTC SHALL BE RESPONSIBLE FOR NOTICE TO DIRECT PARTICIPANTS AND DIRECT PARTICIPANTS SHALL BE RESPONSIBLE FOR NOTICE TO INDIRECT PARTICIPANTS, AND DIRECT PARTICIPANTS AND INDIRECT PARTICIPANTS SHALL BE RESPONSIBLE FOR NOTICE TO INDIVIDUAL PURCHASERS OF BENEFICIAL INTERESTS.

The School Board has entered into a blanket letter of representations with DTC providing for such a book-entry-only system. Such agreement may be terminated at any time by either DTC or the School Board. In the event of such termination, the School Board shall select another securities depository. If the School Board does not replace DTC, the Trustee will register and deliver to the Beneficial Owners replacement Series 2026A Certificates in the form of fully registered Series 2026A Certificates in denominations of \$5,000 or integral multiples thereof, in accordance with instructions from Cede & Co.

SECTION 202. ISSUANCE OF SERIES 2026A CERTIFICATES. The Series 2026A Certificates shall be issued upon delivery to the Trustee of the documents referred to in Section 304 of the Master Trust Agreement and the payment of the purchase price therefor, and upon delivery of the following additional document:

An opinion of Special Tax Counsel to the effect that the Refunded Certificates are deemed to have been paid within the meaning of Section 801 of the Master Trust Agreement.

SECTION 203. PREPAYMENT OF SERIES 2026A CERTIFICATES.

(a) Optional Prepayment: The Series 2026A Certificates shall not be subject to prepayment at the option of the School Board.

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amounts set forth below, and shall represent the right to receive interest at the annual rates set forth opposite such dates and amounts, respectively.

<u>Maturity Date</u> <u>(August 1)</u>	<u>Principal</u> <u>Portion</u>	<u>Interest</u> <u>Rate</u>
-------------------------------------------	------------------------------------	--------------------------------

(b) The principal portion represented by the Series 2026A Certificates due at maturity or upon prepayment thereof, whichever is earlier, shall represent undivided proportionate interests in a portion of the principal portion of the Basic Lease Payments due under the 2016A Lease on the dates set forth on Amended and Restated Schedule 2016A equally and ratably with the Outstanding Series 2016A Certificates allocable to the 2016A Lease.

(c) The interest portion of Basic Lease Payments represented by the Series 2026A Certificates shall be payable semiannually on February 1 and August 1 of each year to the date of maturity, commencing on August 1, 2026, and shall represent an undivided proportionate interest in a portion of the interest portion of Basic Lease Payments due under the 2016A Lease, to and including the maturity or earlier prepayment date of each Series 2026A Certificate equally and ratably with the Outstanding Series 2016A Certificates allocable to the 2016A Lease.

(d) Except as provided below in connection with a book-entry-only system of registration, the Series 2026A Certificates shall be delivered in registered form in denominations of \$5,000 or any integral multiple of \$5,000. Unless the Corporation shall otherwise direct, the Series 2026A Certificates shall be lettered and numbered in such manner as the Trustee shall deem adequate and appropriate. Subject to the provisions of this Series 2026A Supplemental Trust Agreement, the Series 2026A Certificates shall be substantially in the form set forth in **Exhibit A** of the Master Trust Agreement. The principal portion of the Series 2026A Certificates shall be payable at the designated corporate trust office of the Trustee. The interest portion represented by the Series 2026A Certificates shall be payable by check or draft of the Trustee mailed to each Series 2026A Certificate holder at the address of such Certificate holder shown on the registration records maintained by the Trustee as of the 15th day of the month next preceding the month in which the Payment Date occurs. Such interest portion may be paid by wire transfer to the registered owners of \$1,000,000 or more in aggregate principal amount of Series 2026A Certificates upon their request in writing received no later than the Record Date prior to any Payment Date. The Trustee may charge a reasonable fee for the cost of the wire transfer. So long as there shall be maintained a book-entry-only system with respect to the Series 2026A Certificates, however, the following provisions shall apply:

The Series 2026A Certificates shall initially be issued in the name of Cede & Co. as nominee for The Depository Trust Company (“DTC”), which will act initially as securities depository for the Series 2026A Certificates and so long as the Series 2026A Certificates are held in book-entry-only form, Cede & Co. shall be considered the registered owner for all purposes hereof. On original issue, the Series 2026A Certificates shall be deposited with DTC, which shall be responsible for maintaining a book-entry-only system for recording the ownership interest of

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(b) No Extraordinary Prepayment. The Series 2026A Certificates shall not be subject to extraordinary prepayment.

ARTICLE III

ESTABLISHMENT OF ACCOUNTS; APPLICATION OF SERIES 2026A CERTIFICATE PROCEEDS

SECTION 301. ESTABLISHMENT OF ACCOUNTS. There are hereby established within the Series 2026A Acquisition Account, the Series 2026A Cost of Issuance Subaccount, as more particularly described in Section 402 of the Master Trust Agreement. The Series 2016A Trust Agreement has established the Series 2016A Lease Payment Account, within its Project Fund, as more particularly described in Section 301 therein.

The moneys on deposit in the Accounts described herein shall be disbursed by the Trustee in the manner and for the purposes described in the Master Trust Agreement. Moneys in the Series 2016A Lease Payment Account shall be paid equally and ratably to the holders of the Outstanding Series 2016A Certificates and the Series 2026A Certificates.

SECTION 302. APPLICATION OF PROCEEDS OF SERIES 2026A CERTIFICATES. The Trustee shall deposit in the Series 2016A Prepayment Account _____ derived from the proceeds of the Series 2026A Certificates which [together with \$ _____ held under the Series 2016A Trust Agreement] will be used to pay the portion of Basic Lease Payments represented by, and the Prepayment Price on the Prepayment Date of the Refunded Certificates; and shall deposit in the Series 2026A Cost of Issuance Account the amount of \$ _____ from the proceeds of the sale of the Series 2026A Certificates.

ARTICLE IV

MISCELLANEOUS PROVISIONS RELATING TO SERIES 2026A CERTIFICATES

SECTION 401. RESERVED.

SECTION 402. COUNTERPARTS. This Series 2026A 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 403. CONTINUING DISCLOSURE. The School Board has undertaken all responsibility for compliance with continuing disclosure requirements and neither the Corporation nor the Trustee shall have liability to the owners of the Series 2026A Certificates or any other person with respect to the Rule. Notwithstanding any other provision of the Series 2026A Trust Agreement, failure of the School Board to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default; however, the Trustee may (and, at the request of any Participating Underwriter or the Holders of at least 25% in aggregate principal amount of Outstanding Series 2026A Certificates, shall) or any owner of the Series 2026A Certificates or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the School Board to

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comply with its obligations under the Amended and Restated 2016A Lease. For purposes of this Section, "Beneficial Owner" means any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2026A Certificates (including persons holding Series 2026A Certificates through nominees, depositories or other intermediaries), or (b) is treated as the Holder of any Series 2026A Certificates for federal income tax purposes.

SECTION 404. AMENDMENT OF MASTER TRUST AGREEMENT. With respect only to the Series 2026A Certificates, Section 101 of the Master Trust Agreement is hereby amended by substituting the definition of "Investment Securities" with the following:

1. (a) Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America ("United States Treasury Obligations"), (b) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (c) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or (d) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated.

2. Federal Housing Administration debentures.

3. The listed obligations of government-sponsored agencies which are not backed by the full faith and credit of the United States of America including but not limited to:

- a) Federal Home Loan Mortgage Corporation (FHLMC)
- b) Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts) - Senior Debt obligations
- c) Farm Credit Banks (FFCB) (formerly: Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives) Consolidated system-wide bonds and notes
- d) Federal Home Loan Banks (FHL Banks) Consolidated debt obligations
- e) Federal National Mortgage Association (FNMA) Senior debt obligations

4. Unsecured certificates of deposit, time deposits, and bankers' acceptances (having maturities of not more than thirty (30) days) of any bank the short-term obligations of which are rated 'A-1' or better by S&P.

5. Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), in banks which have capital and surplus of at least \$100 million.

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- e) no substitution of a United States Treasury Obligation shall be permitted except with another United States Treasury Obligation and upon delivery of a new Verification; and
- f) the cash or United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

11. Repurchase agreements:

With (1) any domestic bank, or domestic branch of a foreign bank, the long term debt of which is rated at least "A" by S&P or Moody's; or (2) any broker-dealer with "retail customers" or a related affiliate thereof which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least "A" by S&P or Moody's, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (3) any other entity rated (or the guarantor of which is rated) "A" or better by S&P and Moody's, provided that:

- a) The market value of the securities is maintained at levels and upon such conditions as would be acceptable to S&P or Moody's to maintain an "A" rating in an "A" rated structured financing (with a market value approach);
- b) The trustee or a third party acting solely as agent therefor or for the School Board (the "Holder of the Securities") has possession of the securities or the securities have been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor's books);
- c) The repurchase agreement shall state and an opinion of counsel shall be rendered at the time such securities are delivered to the effect that, if the transactions for which provision is made in the repurchase agreement were to be recharacterized as secured loan transactions with the Securities constituting collateral therefor, the Holder of the Securities would have a perfected first priority security interest in the Securities, any substituted Securities and all proceeds thereof (in the case of bearer securities, this means the Holder of the Securities is in possession);
- d) All other requirements of S&P in respect of repurchase agreements shall be met.
- e) The repurchase agreement shall provide that if during its term the provider's (or its guarantor's) rating by either Moody's or S&P is withdrawn or suspended or falls below "A" by S&P or "A3" by Moody's, as appropriate, the provider must, at the direction of the School Board or the trustee, within ten (10) days of receipt of such direction, repurchase all collateral and terminate the agreement, with no penalty or premium to the School Board or trustee.

Notwithstanding the above, if a repurchase agreement has a term of 270 days or less (with no evergreen provision), collateral levels need not be as specified in 10(a) above, so long as such

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6. Deposits in structured depository accounts in which such deposits are fully guaranteed by the Federal Deposit Insurance Corporation as authorized by Florida Statutes 218.415(23).

7. Commercial paper (having original maturities of not more than 270 days) rated 'A-1' by S&P or 'Prime-1' by Moody's.

8. Money market funds rated 'AAm' or 'AAM-G' by S&P, or better.

9. "State Obligations", which means:

- a) Direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated 'A3' by Moody's and 'A' by S&P, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.
- b) Direct general short-term obligations of any state agency or subdivision or agency thereof described in 8(a) above and rated 'A-1+' by S&P and 'MIG-1' by Moody's.
- c) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in 8(a) above and rated 'AA' or better by S&P and 'Aa' or better by Moody's.

10. Pre-refunded municipal obligations rated "AAA" by S&P and "Aaa" by Moody's meeting the following requirements:

- a) the municipal obligations are (1) not subject to redemption prior to maturity or (2) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;
- b) the municipal obligations are secured by cash or United States Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;
- c) the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations ("Verification");
- d) the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

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collateral levels are 103% or better and the provider is rated at least "A" by S&P or Moody's, respectively.

12. Investment agreements with a domestic or foreign bank or corporation (other than a life or property casualty insurance company) the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt, or, in the case of a monoline financial guaranty insurance company, claims paying ability, of the guarantor is rated at least "A+" by S&P and "A1" by Moody's; provided that, by the terms of the investment agreement:

- a) interest payments are to be made to the Trustee at times and in amounts as necessary to pay debt service (or, if the investment agreement is for the construction fund, construction draws) on the Series 2026A Certificates;
- b) the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven days' prior notice; the School Board and the Trustee hereby agree to give or cause to be given notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;
- c) the investment agreement shall state that is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof or, if the provider is a bank, the agreement or the opinion of counsel shall state that the obligation of the provider to make payments thereunder ranks pari passu with the obligations of the provider to its other depositors and its other unsecured and unsubordinated creditors;
- d) the School Board or the Trustee receives the opinion of domestic counsel (which opinion shall be addressed to the School Board and the Insurer) that such investment agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and of foreign counsel (if applicable) in form and substance acceptable, and addressed to, the Insurer;
- e) the investment agreement shall provide that if during its term
 - i) the provider's rating by either S&P or Moody's falls below "A" or "A2", respectively, the provider shall, at its option, within ten (10) days of receipt of publication of such downgrade, either (i) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider's books) to the School Board, the Trustee or a third party acting solely as agent therefor (the "Holder of the Collateral") collateral free and clear of any third-party liens or claims the market value of which collateral is maintained at levels and upon such conditions as would be acceptable to S&P and Moody's to maintain an "A" rating in an "A" rated structured financing (with a market value approach); or (ii) repay the principal of and accrued but unpaid interest on the investment, and

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ii) the provider's rating by either S&P or Moody's is withdrawn or suspended or falls below "A-" or "A3", respectively, the provider must, at the direction of the School Board or the Trustee (who shall give such direction if so directed by the Insurer), within ten (10) days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the School Board or Trustee.

f) The investment agreement shall state and an opinion of counsel shall be rendered, in the event collateral is required to be pledged by the provider under the terms of the investment agreement, at the time such collateral is delivered, that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

g) the investment agreement must provide that if during its term

i) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the School Board or the Trustee, be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the School Board or Trustee, as appropriate, and

ii) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("event of insolvency"), the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the School Board or Trustee, as appropriate.

13. Investments in the Florida PRIME or other Florida government investment pool if the Florida PRIME or comparable investment pool shall be rated "AAAm" by S&P or the equivalent by another NRSRO at the time of investment.

14. Long-term or medium-term corporate debt guaranteed by any corporation that is rated in a rating category of "A-" by S&P or "A3" or better by Moody's.

15. Investments in Intergovernmental Investment Pools that are authorized pursuant to the Florida Interlocal Cooperation Act, as provided in s. 163.01, F.S., if the Intergovernmental Investment Pool shall be rated "AAAm" or "AAAF" by Standard & Poor's or the equivalent by another NRSRO.

16. Authorized Investments shall specifically exclude the use of an investment product whereby a trust department of a bank or other financial institution invests trust assets as a depositor of such bank or financial institution unless such bank or financial institution is rated not less than "A" by S&P and "A" by Moody's throughout the term during which such investment product is used.

SECTION 405. PROVISIONS OF MASTER TRUST AGREEMENT NOT OTHERWISE MODIFIED. Except as expressly modified or amended hereby, the Master Trust Agreement shall remain in full force and effect. To the extent of any conflict between the terms of the Master Trust Agreement and this Series 2026A Supplemental Trust Agreement, the terms hereof shall control.

SECTION 406. 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 2026A Supplemental Trust Agreement, nor shall they affect its meaning, construction or effect.

SECTION 407. LAWS. This Series 2026A Supplemental Trust Agreement shall be construed and governed in accordance with the laws of the State of Florida, without giving effect to principles of conflict of laws.

SECTION 408. COMMUNICATIONS. All notices, approvals, consents, requests and any communications hereunder must be in writing (provided that any communication sent to the Trustee hereunder must be in the form of a document that is signed manually or by way of a digital signature provided by Adobe Sign (or such other digital signature provider as specified in writing to Trustee by an Authorized Corporation Representative)), in English. The School Board and Corporation agree to assume all risks arising out of the use of using digital signatures and electronic methods to submit communications to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

SECTION 409. CONFIRMATION OF SECURITY TRANSACTIONS. The School Board and Corporation acknowledge that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the School Board or Corporation the right to receive individual confirmations of security transactions at no additional cost, as they occur, the School Board and Corporation specifically waive receipt of such confirmations to the extent permitted by law. The Trustee shall furnish the School Board and Corporation periodic cash transaction statements that include detail for all investment transactions made by the Trustee under the Series 2026A Trust Agreement.

IN WITNESS WHEREOF, the parties have executed this Series 2026A Supplemental Trust Agreement by their duly authorized officers on the date or dates set forth below by their respective signatures, and all as of the date and year first written above.

(SEAL)

**LEE COUNTY SCHOOL BOARD
LEASING CORPORATION**

By: _____
Armor Persons
President

ATTEST:

By: _____
Denise M. Carlin, Ed.D.
Secretary

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

By: _____
Leanne M. Duffy
Vice President

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The School Board of Lee County, Florida hereby consents to the execution of this Series 2026A Supplemental Trust Agreement by the parties hereto and agrees to abide by the terms applicable to it herein.

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

By: _____
Armor Persons
Chair

MASTER LEASE PURCHASE AGREEMENT

Between

**FLORIDA SCHOOL BOARDS ASSOCIATION, INC.
as Lessor**

AND

**THE SCHOOL BOARD OF LEE COUNTY, FLORIDA
acting as the governing body of
the School District of Lee County, Florida
as Lessee**

Dated as of August 15, 1991

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MASTER LEASE PURCHASE AGREEMENT

This Master Lease Purchase Agreement dated as of August 15, 1991 (this "Master Lease"), between THE SCHOOL BOARD OF LEE COUNTY, FLORIDA, acting as the governing body of the School District of Lee County, Florida (the "District"), a body corporate pursuant to Article IX, Section 4(a) of the Florida Constitution (1958) and Chapter 230, Florida Statutes, as amended, as lessee (the "School Board"), and FLORIDA SCHOOL BOARDS ASSOCIATION, INC., a not-for-profit corporation organized and existing under and pursuant to Chapter 617, Florida Statutes, as amended, as lessor (the "Association").

W I T N E S S E T H :

WHEREAS, the School Board has the power, under Section 230.23(2) Florida Statutes, to receive, purchase, acquire, lease, sell, hold, transmit and convey title to real and personal property for educational purposes, and under Section 230.23(9) Florida Statutes, to enter into leases or lease purchase agreements of grounds and educational facilities, or of educational facilities, including equipment built, installed or established therein or attached thereto for school purposes in accordance with the provisions of Chapter 235, Florida Statutes; and

WHEREAS, the Association is a "private corporation" within the meaning of Section 230.23(9)(b)5., Florida Statutes, as amended, and is a "non-profit educational organization" within the meaning of Section 235.05(3)(a), Florida Statutes, as amended; and

WHEREAS, the School Board is or shall be the owner of certain real property located in Lee County (which, together with all buildings, structures and improvements now or hereafter erected or situated thereon, 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 all fixtures, additions, alterations or replacements thereto, now or hereafter located in, on or used in connection with or attached or made to such land, to the extent title thereto may vest in the School Board; is hereinafter referred to as a "Facility Site"); and

WHEREAS, pursuant to a resolution duly adopted by the School Board on August 20, 1991 the School Board has determined that it is in the best interest of the District for the School Board to enter into and execute this Master Lease and certain related documents thereto for the purpose of lease purchasing certain real property, facilities, and equipment relating thereto as above provided ("Facilities") from the Association from time to time, which Facilities must, to the extent required by Florida law, be listed on the Educational Plant Survey for Lee County Schools conducted from time to time by the State Department of Education; and

WHEREAS, Facilities approved by the State Department of Education may be lease-purchased from time to time pursuant to Schedules substantially in the form of Exhibit A hereto (individually, a "Schedule"), each such Schedule upon execution and delivery by the School Board and the Association together with the provisions of the Master Lease to constitute a separate lease agreement (a "Lease"); and

WHEREAS, the School Board as lessor and the Association as lessee may enter into one or more ground leases from time to time with respect to one or more Facility Sites (individually, a "Ground Lease"); and

WHEREAS, the ground leasing of a Facility Site, the sub-leasing of a Facility Site back to the School Board and the lease-purchase financing of the Facilities set forth on a particular Schedule, are herein collectively referred to as a "Project"; and

WHEREAS, at the direction of the School Board, the Association will provide for the payment of the cost of acquiring, constructing and installing Facilities from time to time by entering into a Master Trust Agreement dated as of August 15, 1991 (as the same may be amended or supplemented from time to time, the "Trust Agreement") with Sun Bank, National Association, Orlando, Florida, as Trustee (the "Trustee") pursuant to which the Association shall (a) direct the Trustee to establish a trust and assign to the Trustee all of said Association's right, title and interest in and to this Master Lease and all Schedules hereto, except as otherwise provided herein, (b) direct the Trustee to execute and deliver to the public from time to time, Series of Certificates of Participation evidencing undivided proportionate interests of the owners thereof in Basic Lease Payments to be made by the School Board, as lessee, pursuant to each Lease relating thereto and (c) deposit the proceeds of each Series of Certificates with the Trustee and direct the Trustee to hold the proceeds of the sale of such Certificates in trust subject to application only to pay the costs of acquisition, construction and installation of the Facilities to be financed under the Lease relating thereto and identified on a Schedule and related costs including, without limitation, capitalized interest, accrued interest and costs of issuance and to make lease payments with respect thereto; and

WHEREAS, each Certificate of a Series shall represent an undivided proportionate interest in the principal portion of the Basic Lease Payments due and payable under one or more particular Leases relating to such Series on the maturity date or earlier prepayment date of such Certificate and in the interest portion of such Basic Lease Payments due and payable semiannually, to and including such maturity date or earlier prepayment date; and

WHEREAS, the relationship between the Association and the School Board under this Master Lease shall be a continuing one and

Facilities may, from time to time, be added to or deleted from this Master Lease in accordance with the terms hereof and of the Schedule describing such Facilities; and

WHEREAS, the School Board intends for this Master Lease to remain in full force and effect until the last Lease Payment Date for any Project, unless sooner terminated in accordance with the terms provided herein; and

WHEREAS, Section 230.23(9), Florida Statutes, as amended, (the "Act"), provides that the provisions of this Master Lease shall be subject to approval by the Florida Department of Education, which approval has been received; and

WHEREAS, Section 235.056(3)(b)3, Florida Statutes, as amended, provides that no lease purchase agreement entered into pursuant thereto shall constitute a debt, liability or obligation of the State of Florida or the School Board or shall be a pledge of the faith and credit of the State or the School Board, all as further provided in Section 3.1 hereof;

NOW, THEREFORE, the parties hereto mutually agree as follows:

"Certificate" or "Certificates" shall mean the \$85,860,000 certificates of participation, executed and delivered from time to time by the Trustee pursuant to the Trust Agreement. Each Series of Certificates issued under the Trust Agreement shall bear a particular designation to identify such Series of Certificates to a Series Schedule to this Master Lease.

"Certificate holder" or "Holder of Certificates" shall mean the registered owner of any Certificate or Certificates.

"Certificate of Acceptance" shall mean the certificate of the School Board substantially in the form of Exhibit B to this Master Lease to be delivered pursuant to the provisions of Section 2.3 hereof.

"Chairman" shall mean the Chairman of the School Board and any person or persons designated by the School Board and authorized to act on behalf of the Chairman.

"Code" means the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder and under the Internal Revenue Code of 1954.

"Commencement Date" shall mean the date set forth in each Schedule hereto which is the effective date of such Schedule.

"Completion Date" shall mean, with respect to the Facilities described in a particular Schedule, the date specified by the School Board in a Certificate of Acceptance as the date of completion of acquisition, construction and installation of such Facilities.

"Contractor" shall mean the person, firm, corporation or joint venture authorized to do business in Florida with whom a contract has been made directly with the School Board for the performance of the work with respect to any Facilities described by the Instructions to Bidders and General Conditions.

"Cost" shall mean costs and expenses related to the acquisition, construction and installation of any Facilities including, but not limited to, (i) costs and expenses of the acquisition of the title to or other interest in real property, including leasehold interests, easements, rights-of-way and licenses, including, without limitation, lease payments to be made by the Association under the terms of a Ground Lease until the expected acceptance of the Facilities related thereto as described herein, (ii) costs and expenses incurred for labor and materials and payments to contractors, builders, materialmen and vendors, for the acquisition, construction and installation of the Facilities, (iii) the cost of surety bonds and insurance of all kinds, including premiums and other charges in connection with obtaining title insurance, that

ARTICLE I

DEFINITIONS AND EXHIBITS

SECTION 1.1. Definitions. The terms set forth in this section shall have the meanings ascribed to them for all purposes of this Master Lease unless the context clearly indicates some other meaning, or unless otherwise provided in a particular Schedule. Terms used herein and not otherwise defined shall have the meaning given to them in the Trust Agreement.

"Acquisition Account" shall mean any Acquisition Account established pursuant to Section 401 of the Trust Agreement and in any Supplemental Trust Agreement.

"Additional Lease Payment" shall mean any amounts payable by the School Board under the terms of this Master Lease other than a Basic Lease Payment, as set forth in a Schedule to this Master Lease and so designated.

"Assignment Agreement" shall mean any assignment agreement pursuant to which the Association shall have assigned to the Trustee all of its right, title and interest in and to the Lease or Leases created by one or more particular Schedules, including its right to receive Lease Payments thereunder.

"Association" shall mean Florida School Boards Association, Inc., a not-for-profit corporation organized and existing under the laws of the State of Florida, its successors and assigns.

"Authorized Association Representative" shall mean the President, any Vice President, Secretary or Assistant Secretary or any other person or persons designated by a resolution of the Association signed by any two of the above-named officers and filed with the Trustee, containing the specimen signature of each such person.

"Authorized School Board Representative" shall mean the Chairman and any person or persons designated by the Chairman and authorized to act on behalf of the School Board by a written certificate signed on behalf of the School Board by the Chairman containing the specimen signature of each such person.

"Basic Lease Payment" shall mean, with respect to each Lease, or each Facility financed under such Lease, as of each Lease Payment Date, the amount set forth in a Schedule to this Master Lease corresponding to such Lease Payment Date and designated as a Basic Lease Payment in such Schedule.

"Business Day" shall mean a day other than Saturday, Sunday or day on which banks in the State of New York or State of Florida are authorized or required to be closed, or a day on which the New York Stock Exchange is closed.

may be advisable or necessary prior to completion of any of the Facilities which is not paid by a contractor or otherwise provided for, (iv) the costs and expenses for design, test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, and for supervising construction and installation of Facilities, (v) costs and expenses required for the acquisition and installation of equipment or machinery that comprise part of the Facilities, (vi) all costs which the School Board or Association shall be required to pay for or in connection with additions to, and expansions of Facilities, (vii) all costs which the School Board or the Association shall be required to pay to provide improvements, including offsite improvements, necessary for the use and occupancy of Facilities, including roads, walkways, water, sewer, electric, fire alarms and other utilities, (viii) any sums required to reimburse the School Board or Association for advances made by either of them for any of the above items or for other costs incurred and for work done by either of them in connection with Facilities, (ix) deposits into any Reserve Account required pursuant to a Supplemental Trust Agreement, (x) fees, expenses and liabilities of the School Board or Association, if any, incurred in connection with the acquisition, construction and installation of Facilities, (xi) Costs of Issuance, and (xii) interest during construction and for a reasonable period of time up to six (6) months thereafter.

"Costs of Issuance" shall mean the items of expense incurred in connection with the authorization, sale and delivery of each Series of Certificates, which items of expense shall include, but not be limited to, document printing and reproduction costs, filing and recording fees, costs of credit ratings, initial fees and charges of the Trustee and any Credit Facility Issuer or provider of a Reserve Account Letter of Credit/Insurance Policy, legal fees and charges, professional consultants' fees, fees and charges for execution, delivery, transportation and safekeeping of Certificates, premiums, costs and expenses of refunding Certificates and other costs, charges and fees, including those of the Association, in connection with the foregoing.

"Costs of Issuance Subaccount" shall mean a Costs of Issuance Subaccount within an Acquisition Account established pursuant to the Trust Agreement and a Supplemental Trust Agreement in connection with the issuance of a Series of Certificates.

"Credit Facility" shall mean, with respect to a Series of Certificates, the letter of credit, insurance policy, guaranty, surety bond or other irrevocable security device, if any, supporting the obligations of the School Board to make Basic Lease Payments relating to such Series of Certificates.

"Credit Facility Issuer" shall mean, with respect to a Series of Certificates, the issuer of the Credit Facility, if any, for such Series of Certificates.

"District" shall mean the School District of Lee County, Florida.

"Event of Mandatory Prepayment" shall mean one or more of the events so designated in Section 7.2 hereof.

"Excess Earnings" shall mean, with respect to each Series of Certificates, the amount by which the earnings on the Gross Proceeds of such Certificates exceeds the amount which would have been earned thereon if such Gross Proceeds were invested at a yield equal to the yield on the interest portion of the Basic Lease Payments represented by such Certificates, as such yield is determined in accordance with the Code and amounts earned on the investment of earnings on the Gross Proceeds of such Certificates.

"Facility" or "Facilities" shall mean the real property, buildings, improvements, equipment, fixtures, furnishings, built, installed or established therein, and all appurtenances thereto and interests therein, set forth on a Schedule.

"Facility Site" shall mean the real property upon which a Facility is to be located within the District and more particularly described in a Ground Lease.

"Fiscal Year" shall mean the twelve month fiscal period of the School Board which under current law commences on July 1 in every year and ends on June 30 of the succeeding year.

"General Conditions" shall mean the General Conditions and Supplementary General Conditions of the School Board as in effect from time to time with respect to any Project.

"Government Obligations" shall mean any obligations which as to both principal and interest, constitute non-callable direct obligations of, or non-callable obligations the timely payment of the principal and interest on which is fully and unconditionally guaranteed by, the full faith and credit of the United States of America, including bonds or other evidences of indebtedness issued or guaranteed by any agency or corporation which has been or may hereafter be created pursuant to an Act of Congress as an agency or instrumentality of the United States of America to the extent the timely payment of the principal and interest on which is unconditionally guaranteed by the full faith and credit of the United States of America.

"Gross Proceeds" shall mean, with respect to each Series of Certificates, unless inconsistent with the provisions of the Code, in which case as provided in the Code, (i) amounts received by or on behalf of the Association from the sale of such Certificates; (ii) amounts received as a result of investments of amounts described in (i); (iii) amounts treated as transferred proceeds of

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condemnation, performance bond, Federal or State flood disaster assistance, or any other financial guaranty paid with respect to such Facilities remaining after payment therefrom of all reasonable expenses, including attorneys' fees, incurred in the collection thereof; and, with respect to insurance, to the extent that the School Board elects to self-insure under Section 5.3 hereof, any moneys payable from any appropriation made by the School Board in connection with such self-insurance.

"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 School Board or Special Tax Counsel) selected by the School Board.

"Outstanding", when used with reference to the Certificates, shall mean, as of any date, Certificates theretofore or thereupon being authenticated and delivered under the Trust Agreement except:

(i) Certificates canceled by, or duly surrendered for cancellation to, the Trustee at or prior to such date;

(ii) Certificates (or portions of Certificates) for the payment or prepayment of which moneys, equal to the principal portion or Prepayment Price thereof, as the case may be, with interest to the date of maturity or Prepayment Date, shall be held in trust under the Trust Agreement and set aside for such payment or prepayment, (whether at or prior to the maturity or Prepayment Date), provided that if such Certificates (or portions of Certificates) are to be prepaid, notice of such prepayment shall have been given as provided in Article III of the Trust Agreement;

(iii) Certificates in lieu of or in substitution for which other Certificates shall have been executed and delivered pursuant to Article III of the Trust Agreement; and

(iv) Certificates deemed to have been paid as provided in subsection 2 of Section 801 of the Trust Agreement.

"Payment Date" shall mean a date on which the principal portion or the interest portion of Basic Lease Payments is payable to Certificate holders pursuant to the terms of such Certificates.

"Permitted Encumbrances" shall mean in regard to a Facility site:

(1) the Lease relating thereto and any liens and encumbrances created or permitted thereby;

(2) the Assignment Agreement relating thereto and any liens and encumbrances created or permitted thereby;

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such Certificates in accordance with the Code; (iv) amounts treated as proceeds under the provisions of the Code relating to invested sinking funds; (v) securities or obligations pledged, if any, as security for payment of Basic Lease Payments under the Master Lease (which amounts are limited in accordance with Sections 235.056(3) and 236.25(2)(e), Florida Statutes, as amended); (vi) amounts received with respect to obligations acquired with Gross Proceeds; (vii) amounts used to pay the principal and interest portions of Basic Lease Payments represented by such Certificates; (viii) amounts in any Reserve Account established pursuant to a Supplemental Trust Agreement and (ix) amounts received as a result of the investment of Gross Proceeds not described in (i) above.

"Ground Lease" shall mean one or more ground leases between the School Board and the Association, as amended and supplemented from time to time, pursuant to which the School Board shall ground lease one or more Facility Sites to the Association.

"Insurance Consultant" shall mean a nationally recognized independent insurance company or broker, selected by the School Board, that has actuarial personnel experienced in the area of insurance for which the School Board is to be self insured.

"Lease" shall mean each separate Schedule to this Master Lease executed and delivered by the School Board and the Association, together with the terms and provisions of the Master Lease.

"Lease Payment Account" shall mean any Lease Payment Account established pursuant to Section 401 of the Trust Agreement and in any Supplemental Trust Agreement.

"Lease Payment Date" shall mean, with respect to a Lease, each date set forth on the corresponding Schedule designated as a Lease Payment Date for such Lease. Once established under Schedule 1991A, Lease Payment Dates shall be the same under all future Lease Schedules.

"Lease Payments" shall mean all amounts payable by the School Board pursuant to the terms of a Lease, including Basic Lease Payments, Additional Lease Payments and Supplemental Payments.

"Lease Term" shall mean the period during which a Lease is in effect as specified in the Schedule corresponding to such Lease.

"Master Lease" shall mean this Master Lease Purchase Agreement dated as of August 15, 1991, between the Association and the School Board and any and all modifications, alterations, amendments and supplements thereto.

"Net Proceeds" shall mean, with respect to one or more Facilities financed under a Lease, proceeds from any insurance,

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(3) the Trust Agreement and liens and encumbrances created or permitted thereby;

(4) any Ground Lease applicable thereto and any liens and encumbrances created or permitted thereby;

(5) subject to the provisions of Section 6.2 of the Master 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;

(6) (a) rights reserved to or vested in any municipality or public authority by the terms of any right, power, franchise, grant, license, permit or provision of law; (b) any liens for taxes, assessments, levies, fees, water and sewer rents or charges and other government and similar charges, which are not due and payable or which are not delinquent or the amount or validity of which are being contested and execution thereon is stayed; (c) easements, rights-of-way, servitudes, restrictions, oil, gas or other mineral reservations and other minor defects, encumbrances and irregularities in the title to any property which, in the Opinions of Counsel, do not materially impair the use of such property or materially and adversely affect the value thereof or materially adversely affect the benefits enjoyed by Certificate holders in the Facility Site under the Ground Lease, the Assignment Agreement and the Trust Agreement; 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 do not in the Opinion of Counsel, materially affect the use of the Facility Site for educational purposes or the benefits enjoyed by Certificate holders in the Facility Site under the Ground Lease, the Assignment Agreement and the Trust Agreement; and

(7) any other liens or encumbrances permitted by the Schedule relating to such Facility Site, provided such lien or encumbrance shall not, as expressed in an Opinion of Counsel, materially adversely affect the intended use of such Facility Site by the School Board for educational purposes or the benefits enjoyed by Certificate holders in the Facility Site under the Ground Lease, the Assignment Agreement and the Trust Agreement, and such liens and encumbrances are approved by the Credit Facility Issuer for the Series of Certificates relating to such Facility Site.

"Prepayment Account" shall mean any Prepayment Account established pursuant to Section 401 of the Trust Agreement and in any Supplemental Trust Agreement.

"Prepayment Date" shall mean the date on which optional prepayment or mandatory prepayment of Basic Lease Payments represented by a Series of Certificates Outstanding shall be made

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pursuant to the Trust Agreement and any Supplemental Trust Agreement.

"Prepayment Price" shall mean, with respect to any Certificate, the principal amount thereof together with the premium, if any, applicable upon an optional prepayment, payable upon prepayment thereof pursuant to such Certificate and the Trust Agreement and any Supplemental Trust Agreement, together with accrued interest represented by such Certificate to the Prepayment Date.

"Project" shall mean the lease purchase financing and construction of the Facilities set forth on a particular Schedule and, if all or a portion of such Facilities shall be comprised of real property, the ground leasing of the related Facility Site by the School Board to the Association and the subleasing of such Facility Site back to the School Board.

"Project Fund" shall mean the trust fund designated as the "Project Fund" created and established in Section 401 of the Trust Agreement.

"Purchase Option Price" shall mean, with respect to any Facility financed under a Lease, as of each Lease Payment Date, the Basic Lease Payment then due plus the amount so designated and set forth on the Schedule for such Facility as the Remaining Principal minus any credits pursuant to the provisions of Section 3.2 hereof, plus, an amount equal to the interest to accrue with respect to the Certificates to be prepaid as a result of the release of such Facility from the Lease, from such Lease Payment Date to the next available date for prepaying such Certificates, unless such prepayment shall occur on such Lease Payment Date, plus an amount equal to a pro rata portion of any Additional Lease Payments then due and owing under the Lease relating to such Facility, including any prepayment premiums payable on the Certificates prepaid.

"Qualified Financial Institution" shall mean a bank, trust company, national banking association or a corporation subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or the Federal National Mortgage Association or any insurance company or other corporation (i) whose unsecured obligations or uncollateralized long term debt obligations have been assigned a rating by a Rating Agency which is not lower than AA/Aa, or which has issued a letter of credit, contract, agreement or surety bond in support of debt obligations which have been so rated; or (ii) which collateralizes its obligations at all times in compliance with the requirements of the Rating Agencies for ratings not lower than AA/Aa.

"Rating Agency" shall mean each of Standard & Poor's Corporation, Moody's Investors Service and any other nationally recog-

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nized rating service which shall have provided a rating on any Outstanding Certificates.

"Reimbursement Agreement" shall mean any reimbursement agreement between the School Board and any Credit Facility Issuer.

"Reserve Account" shall mean any Reserve Account established pursuant to Section 401 of the Trust Agreement and in any Supplemental Trust Agreement.

"Reserve Account Letter of Credit/Insurance Policy" shall mean the irrevocable letter or line of credit, insurance policy, surety bond or guarantee agreement issued by a Qualified Financial Institution in favor of the Trustee which is to be deposited into a Reserve Account in order to fulfill the Reserve Requirements relating thereto.

"Reserve Requirement" shall mean, in regard to a Reserve Account to secure a Series of Certificates, such amounts; if any, as shall be provided in the Supplemental Trust Agreement authorizing the issuance of such Series and in the Schedule relating thereto, provided such Reserve Requirement shall not exceed the lesser of (i) the maximum Principal Portion and Interest Portion of Basic Lease Payments represented by Certificates of the Series secured by such Reserve Account in the current or any subsequent Fiscal Year, (ii) one hundred twenty-five percent (125%) of the average Principal Portion and Interest Portion of Basic Lease Payments represented by Certificates of the Series secured by such Reserve Account in the current or any subsequent Fiscal Year, and (iii) ten percent (10%) of the proceeds of such Series of Certificates.

"Schedule" shall mean a schedule to this Master Lease to be executed and delivered by the School Board and the Association for each Project, as amended and supplemented from time to time substantially in the form of Exhibit A hereto.

"School Board" shall mean The School Board of Lee County, Florida, a body corporate and the governing body of the District.

"Series" or "Series of Certificates" shall mean the aggregate amount of each series of Certificates evidencing an undivided proportionate interest of the owners thereof in one or more particular Leases and the Basic Lease Payments thereunder, issued pursuant to the Trust Agreement and a Supplemental Trust Agreement.

"Special Tax Counsel" shall mean Greenberg, Traurig, Hoffman, Lipoff, Rosen & Quentel, P.A., Miami, Florida or any other attorney at law or firm of attorneys, of nationally recognized standing in matters pertaining to the exclusion from gross income for Federal income tax purposes of the interest on obligations issued by states and political subdivisions, and duly admitted to practice law

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before the highest court of any state of the United States of America.

"State" shall mean the State of Florida.

"Superintendent" shall mean the Superintendent of Schools of the Lee County Public Schools.

"Supplemental Payments" shall mean all amounts due under a Lease other than Basic Lease Payments and Additional Lease Payments.

"Supplemental Trust Agreement" shall mean any agreement supplemental or amendatory of the Master Trust Agreement.

"Trust Agreement" shall mean the Master Trust Agreement dated as of August 15, 1991 entered into by and between the Association and the Trustee, and any Supplemental Trust Agreement.

"Trustee" shall mean Sun Bank, National Association, Orlando, Florida and its successors or assigns which may at any time be substituted in its place pursuant to the provisions of the Trust Agreement.

SECTION 1.2. Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies as well as natural persons.

The terms "hereby", "hereof", "hereto", "herein", "hereunder", and any similar terms, as used in this Master Lease, refer to this Master Lease.

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ARTICLE II

LEASE OF FACILITIES

SECTION 2.1. Lease of Facilities. The Association hereby agrees to demise and lease to the School Board, "as is", and the School Board hereby agrees to hire, take and lease from the Association, the right, title and interest of the Association in and to the Facilities, listed on each Schedule hereto, on the terms and conditions set forth in this Master Lease.

SECTION 2.2. Lease Term. This Master Lease shall be for an original term commencing on the date hereof through and including June 30, 1992, and automatically renewable annually thereafter through the last date set forth on any Schedule hereto unless sooner terminated in accordance with the provisions hereof, including in particular Sections 3.5 and 4.1 hereof. Upon expiration or termination of the Lease Term, the Trustee, the School Board and the Association, at the expense of the School Board, shall execute and deliver such documents, if any, as shall be necessary to evidence such termination. The useful life of the Facilities shall extend beyond the last date set forth on the particular Schedule relating to such Facilities.

SECTION 2.3. Acquisition of Facilities. The School Board shall be responsible for acquisition, construction and installation of the Facilities, as agent for the Association, pursuant to the specifications of the School Board, including the letting of all contracts for the acquisition, construction and installation of the Facilities and for supervising the acquisition, construction and installation of the Facilities.

Contracts in connection with the acquisition, construction and installation of the Facilities shall be let in accordance with the competitive bidding policies of the School Board and laws applicable to school boards, including where applicable the requirements of Sections 235.056(3) and 235.26 Florida Statutes, as amended, Chapters 234 and 237, Florida Statutes, as amended, and regulations promulgated by the State Department of Education thereunder, including Rule 6A-2 FAC, and § 6A - 1.013 FAC regarding pool purchases, and in accordance with the General Conditions. All rules and regulations of the State Department of Education applicable to acquisition and construction of educational facilities by the School Board shall apply to the same extent to the acquisition and construction of the Facilities by the School Board acting in its capacity as agent for the Association.

Moneys deposited in the Acquisition Account established with respect to particular Facilities shall be disbursed from time to time to pay the Costs of such Facilities, all as provided in Section 402 of the Trust Agreement and the applicable provisions of the Supplemental Trust Agreement. The School Board agrees that

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It will deliver to the Trustee completed requisitions in the form attached to the Trust Agreement as Exhibit B, and upon completion of acquisition, construction and installation of the Facilities, will deliver a Certificate of Acceptance in the form attached hereto as Exhibit C in order for the Trustee to make the final advances therefor in accordance with the provisions of the Trust Agreement. The School Board further agrees to deliver the items described in said Section 402 of the Trust Agreement with respect to the acquisition of each portion of a Facility constituting land or an interest therein, to be financed hereunder.

The School Board shall be responsible for, and shall use its best efforts to effect the completion of acquisition, construction and installation of, the Facilities, whether or not amounts in the Acquisition Account relating to such Facilities are sufficient to pay the costs thereof. If it is determined upon audit or other review that moneys were improperly drawn from the Acquisition Account, the School Board upon proper notification thereof shall deposit an amount sufficient to restore the balance therein with the Trustee, no later than thirty (30) days following receipt of such notification.

Upon determination by the School Board prior to delivery of a Certificate of Acceptance that amounts on deposit in the Acquisition Account for particular Facilities will exceed the actual costs of such Facilities, the School Board may amend the related Lease and Ground Lease for the purpose of financing additional Facilities or portions of Facilities from such funds on deposit in such Acquisition Account.

SECTION 2.4. School Board's Liability. As between the Association (and any assignee of the Association) and the School Board, the School Board assumes liability for all risks of loss with respect to the Facilities. The School Board shall maintain in force during the entire acquisition, construction and installation period of any Facilities, property damage insurance as required by Section 5.3 hereof and (for the benefit of Certificate holders), as assignee of the Association, the Trustee shall be named as an additional insured and loss payee thereon. In the event the School Board or Association receives any damages or other moneys from any contractor, manufacturer or supplier of any portion of the Facilities or its surety pursuant to this Section 2.4 or 5.3, such moneys shall be paid to the Trustee for disposition in accordance with Section 5.4 hereof.

SECTION 2.5. Possession and Enjoyment. From and after the acceptance by the School Board of any Facilities in accordance with the terms of this Master Lease, the Association agrees that it will not interfere with the quiet use and enjoyment of the Facilities by the School Board during the Lease Term set forth in the schedule relating to such Facilities and that the School Board shall during such Lease Term peaceably and quietly have and hold and enjoy such

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SECTION 2.10. Representations, Covenants and Warranties of the School Board. The School Board represents, covenants and warrants as follows:

(a) The School Board is the governing body of the District, a body corporate pursuant to Article IX, Section 4(a) of the Florida Constitution (1968) and Chapter 230, Florida Statutes, has power to enter into this Master Lease and each Schedule hereto and has duly authorized and taken the necessary acts required prior to (including all required approvals) the execution and delivery of this Master Lease. The School Board warrants that this Master Lease, upon the execution and delivery thereof is a valid, legal and binding limited obligation of the School Board, payable from current or other funds authorized by law and appropriated for such purpose as provided in Section 3.1 hereof.

(b) Neither the execution and delivery of this Master Lease hereto nor the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions hereof conflicts with or results in a breach of the terms, conditions, or provisions of any restriction or any agreement or instrument to which the School Board is now a party or by which the School Board is bound or constitutes a default under any of the foregoing, nor conflicts with or results in a violation of any provision of law governing the School Board and no representation, covenant and warranty herein is false, misleading or erroneous in any material respect.

(c) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, known to be pending or threatened against or affecting the School Board nor to the best of the knowledge of the School Board is there any basis therefor wherein an unfavorable decision, ruling, or finding would materially and adversely affect the transactions contemplated by the School Board or which would adversely affect, in any way, the validity or enforceability of this Master Lease or any material agreement or instrument to which the School Board is a party, used or contemplated for use in the consummation of the transactions contemplated hereby.

(d) The estimated Cost of any Facilities shall not be less than the amount set forth on each Schedule relating to such Facilities. The Facilities will be designed and constructed so as to comply with all applicable building and zoning ordinances and regulations, if any, and any and all applicable judicial and state standards and requirements relating to the Facilities.

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Facilities, without hindrance or molestation from the Association, except as expressly set forth herein. At the request of the School Board and at the School Board's cost, the Association shall join in any legal action in which the School Board asserts its right to such possession and enjoyment to the extent the Association lawfully may do so. Upon expiration or termination of the Lease Term other than as a result of nonappropriation or default, the School Board shall enjoy full right, title and interest in and to the Facilities, unless the Facilities are otherwise disposed of in accordance with the terms of this Master Lease.

SECTION 2.6. Trustee Access to Facilities. During the Lease Term the School Board agrees that the Trustee, as assignee of the Association or its agents, shall have the right during the School Board's normal working hours on the School Board's normal working days to examine and inspect the Facilities for the purpose of assuring that the Facilities are being properly maintained, preserved, and kept in good repair and condition; provided, however, that the Trustee is under no obligation to examine and inspect any Facilities.

SECTION 2.7. Disclaimer of Warranties. The School Board acknowledges that each of the Association, the Trustee, the Certificate holders and any Credit Facility Issuer or issuer of a Reserve Account Letter of Credit/Insurance Policy MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE TITLE TO VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF ANY FACILITIES OR ANY PORTION THEREOF, OR AS TO THE QUALITY, CAPACITY OF THE MATERIAL OR WORKMANSHIP IN SUCH FACILITIES OR ANY WARRANTY THAT SUCH FACILITIES WILL SATISFY THE REQUIREMENTS OF ANY LAW, RULE, SPECIFICATIONS OR CONTRACT WHICH PROVIDES FOR SPECIFIC MACHINERY, OPERATORS OR SPECIAL METHODS OR ANY OTHER WARRANTY OF ANY KIND WHATSOEVER. In no event shall the Association, the Trustee, the Certificate holders or any Credit Facility Issuer or issuer of a Reserve Account Letter of Credit/Insurance Policy be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this Master Lease or the existence, furnishing, functioning or School Board's use of the Facilities, or any item, product or service provided for in this Master Lease.

SECTION 2.8. Warranties of the Facilities. The Association hereby appoints the School Board its agent and attorney-in-fact during the Lease Term to assert from time to time whatever claims and rights, including warranties of the Facilities, which the Association or the School Board may have against a contractor, manufacturer or supplier of any Facilities or portion thereof.

SECTION 2.9. Compliance with Law. The School Board represents, warrants and covenants that it has complied and will comply throughout the Term of this Master Lease with the requirements of Sections 235.056(3) and 286.011, as well as Chapter 119, Florida Statutes relating to public access to its records and the openness of its meetings to the public.

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(e) The moneys in each Acquisition Account and any investment earnings thereon will be used only for payment of Cost of the Facilities, or payment of Basic Lease Payments.

(f) The School Board shall have fee simple title to all Facility Sites, subject only to Permitted Encumbrances, prior to entering into any Ground Lease with respect to such Facility Sites, or amending any Ground Lease to add such Facility Sites.

(g) In its use of the Facilities, the School Board shall comply with all applicable Federal, State and local governmental laws, regulations, ordinances, rules, orders, standards and codes and with all hazard insurance underwriters' standards applicable to the Facilities.

SECTION 2.11. Representations, Covenants and Warranties of Association. The Association represents, covenants and warrants as follows:

(a) The Association is a Florida not-for-profit corporation duly created, existing and in good standing under the laws of the State, is duly qualified to do business in the State, has all necessary power to enter into this Master Lease and each Schedule hereto, is possessed of full power to own, lease and hold real and personal property and to lease and sell the same as lessor, and has duly authorized the execution and delivery of this Master Lease.

(b) Neither the execution and delivery hereof, nor the fulfillment of or compliance with the terms and conditions hereof, nor the consummation of the transactions contemplated hereby, conflicts with or results in a breach of the terms, conditions and provisions of any restriction or any agreement or instrument to which the Association is now a party or by which the Association is bound, or constitutes a default under any of the foregoing.

(c) To the knowledge of the Association, there is no litigation or proceeding pending or threatened against the Association or any other person affecting the right of the Association to execute or deliver this Master Lease or to comply with its obligations under this Master Lease. Neither the execution and delivery of this Master Lease by the Association, nor compliance by the Association with its obligations under this Master Lease, require the approval of any regulatory body, any parent company, or any other entity, which approval has not been obtained.

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ARTICLE III

LEASE PAYMENTS

SECTION 3.1. Payment of Lease Payments. Subject to the conditions stated herein, the School Board agrees to pay the Basic Lease Payments stated on each particular Schedule hereto and agrees to pay and discharge Additional Lease Payments, including all other amounts, liabilities and obligations which the School Board assumes or agrees to pay to the Association or to others as provided herein and on each Schedule hereto, together with interest on any overdue amount, PROVIDED HOWEVER, THAT NEITHER THE SCHOOL BOARD, THE DISTRICT, THE STATE OF FLORIDA, NOR ANY POLITICAL SUBDIVISION THEREOF, SHALL BE OBLIGATED TO PAY, EXCEPT FROM SCHOOL BOARD APPROPRIATED FUNDS, ANY SUMS DUE TO THE ASSOCIATION HEREUNDER FROM ANY SOURCE OF TAXATION AND THE FULL FAITH AND CREDIT OF THE SCHOOL BOARD AND THE DISTRICT IS NOT PLEDGED FOR PAYMENT OF SUCH SUMS DUE HEREUNDER AND SUCH SUMS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE SCHOOL BOARD OR THE DISTRICT WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. NEITHER THE ASSOCIATION, THE TRUSTEE, NOR ANY CERTIFICATE HOLDER MAY COMPEL THE LEVY OF ANY AD VALOREM TAXES BY THE SCHOOL BOARD TO PAY THE LEASE PAYMENTS HEREUNDER. All Basic Lease Payments and Additional Lease Payments and all Supplemental Payments shall be made from current or other funds authorized by law and appropriated for such purpose by the School Board.

On each Lease Payment Date, the School Board shall pay to the Trustee, in lawful money of the United States of America, the Basic Lease Payments for such Lease Payment Date, less any credits as contemplated by Section 3.2 hereof, and less any reductions as contemplated by Section 4.2 hereof. The School Board agrees to deposit such amounts with the Trustee on each Lease Payment Date in order to assure that sufficient moneys will be available to the Trustee to make timely distribution thereof to the Certificate holders, or to reimburse any Credit Facility Issuer as provided in the following paragraph, all in accordance with the Trust Agreement. In the event that the Trustee has not received such Basic Lease Payments prior to such Lease Payment Date, the Trustee shall notify the School Board on the Business Day following the day payment was due that such Basic Lease Payments have not been received; provided, however, that such notice is for the purpose of convenience only and the School Board's obligation to make such payments shall in no way be conditioned by the giving or receipt of such notice.

The School Board shall also pay, when due, directly to the party entitled thereto, Additional Lease Payments and Supplemental Payments in accordance with the terms of this Master Lease and each Schedule hereto and the Trust Agreement. Additional Lease Payments for each separate Lease entered into under this Master Lease include, without limitation, optional prepayment premiums, Trustee

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SECTION 3.2. Credits to Lease Payments. The Lease Payments due hereunder shall be reduced when applicable by the amounts credited as follows:

(a) The Trustee shall deposit into the Lease Payment Account established with respect to each Lease interest income in accordance with the Trust Agreement and apply such amounts as provided therein.

(b) Unless otherwise provided in the Schedule relating thereto, upon the completion of acquisition and construction of the Facilities financed under a particular Lease and payment of all costs of such Facilities or upon the termination of the Lease Term of a particular Lease pursuant to Section 4.1 hereof, the amounts, if any, on deposit in the Acquisition Account for the related Series of Certificates shall be transferred to the Lease Payment Account for such Series, to be applied to Basic Lease Payments next coming due under the Lease; provided, however, that if, upon delivery by the School Board of a Certificate of acceptance indicating completion of the acquisition, construction, installation and payment of all costs of the Facilities financed under a particular Lease (including the failure of the School Board to acquire any component of such Facilities), there shall remain in the related Acquisition Account an amount greater than the amount of Basic Lease Payments coming due in the immediately following Fiscal Year under such Lease, such remaining amount shall be transferred to the related Prepayment Account in accordance with Section 7.2(B) hereof.

(c) There shall be deposited in the Lease Payment Account or the Prepayment Account for a Series of Certificates, as the case may be, Net Proceeds realized in the event of damage, destruction or condemnation to be applied to Basic Lease Payments under the related Lease, or to the Prepayment Price of such Series of Certificates, all as provided for in Section 5.4 (b) hereof.

SECTION 3.3. Basic Lease Payment Components. A portion of each Basic Lease Payment is paid as and represents the payment of interest and the balance of each Basic Lease Payment is paid as and represents the payment of principal. Each Schedule hereto shall set forth such components of each Basic Lease Payment for each Facility or Facilities financed hereunder.

SECTION 3.4. Lease Payments to be Unconditional. Subject to Sections 3.1 and 3.5 hereof the obligations of the School Board to make Lease Payments and to pay all other amounts provided for herein and in each Schedule and to perform its obligations under this Master Lease and each Schedule, shall be absolute and unconditional, and such Lease Payments and other amounts shall be payable without abatement or any rights of set-off, recoupment or

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fees and expenses, Association service fees and expenses and Credit Facility Issuer fees and expenses, if any, or all other amounts due the Trustee under the Trust Agreement or under this Master Lease and all other amounts due a Credit Facility Issuer under any Reimbursement Agreement, all as set forth on a particular Schedule hereto. Supplemental Payments for each separate Lease hereunder include, without limitation, amounts required to be paid under Sections 5.6 and 5.10 hereof, and amounts necessary to restore the balance in a Reserve Account for a particular Series of Certificates to the Reserve Requirement for such Series as provided in Section 405(a) of the Trust Agreement.

The School Board hereby authorizes the Trustee, as assignee of the Association, (i) to create a Reserve Account to be held by the Trustee under the Trust Agreement for each Series of Certificates unless otherwise provided by the Schedule relating thereto, (ii) to deposit in each Reserve Account either a portion of the proceeds from the sale of the Series of Certificates relating thereto or a Reserve Account Letter of Credit/Insurance Policy equal to the Reserve Requirement relating to such Series or combination thereof, and (iii) to use such amounts or amounts drawn on the Reserve Account Letter of Credit/Insurance Policy deposited in each subaccount of the Reserve Account as set forth in Section 405 of the Trust Agreement. In the event the aggregate amount of any cash, the value of any Investment Securities and the stated amount of any Reserve Account Letter of Credit/Insurance Policy in a Reserve Account shall be less than the Reserve Requirement provided therefor, the School Board shall pay to the Trustee from moneys budgeted and appropriated as Basic Lease Payments during the current Fiscal Year as Supplemental Payments an amount equal to such deficiency within thirty (30) days of receipt of notice of the deficiency from the Trustee. In the event the Trustee makes a draw on a Reserve Account Letter of Credit/Insurance Policy to pay amounts equal to Basic Lease Payments represented by a Series of Certificates, the School Board shall cause the amount which the Trustee can draw upon such Reserve Account Letter of Credit/Insurance Policy (or its original stated amount, if the School Board shall have deposited into the related Reserve Account a Letter of Credit/Insurance Policy pursuant to this Section) to be reinstated. In the event a Reserve Account Letter of Credit/Insurance Policy on deposit in a Reserve Account expires or is terminated, the School Board shall, simultaneously with such expiration or termination, either replace such Letter of Credit/Insurance Policy with a subsequent Reserve Account Letter of Credit/Insurance Policy with a stated amount equal to that of the expired or terminated Letter of Credit/Insurance Policy or transfer to the Trustee, for deposit in such Reserve Account in which such Policy had been deposited, an amount of cash equal to the stated amount of such expired or terminated Letter of Credit/Insurance Policy.

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counterclaim the School Board might have against any supplier, contractor, the Association, the Trustee or any other person and whether or not the Facilities are accepted for use or used by the School Board or available for use by the School Board, whether as a result of damage, destruction, condemnation, defect in title or failure of consideration or otherwise. This Master Lease shall be deemed and construed to be a "net lease".

SECTION 3.5. Non-appropriation. Notwithstanding anything in this Master Lease to the contrary, the cost and expense of the performance by the School Board of its obligations under this Master Lease and each Schedule hereto and the incurrence of any liabilities of the School Board hereunder and under each Schedule hereto including, without limitation, the payment of all Lease Payments and all other amounts required to be paid by the School Board under this Master Lease and each Schedule hereto, shall be subject to and dependent upon appropriations being duly made from time to time by the School Board for such purposes. Under no circumstances shall the failure of the School Board to appropriate sufficient funds constitute a default or require payment of a penalty, or in any way limit the right of the School Board to purchase or utilize educational facilities similar in function to those leased hereunder.

Unless the School Board, at a public meeting held prior to the end of the then current Fiscal Year, shall give notice of its intent not to appropriate the funds necessary to make all Lease Payments coming due in the following Fiscal Year under this Master Lease and each Schedule hereto, the Superintendent shall include in the Superintendent's tentative budget proposal the funds necessary to make such Lease Payments, and the Lease Term of all Leases shall be automatically renewed on June 30 of the current Fiscal Year, for the following Fiscal Year, subject to appropriation being made by the School Board in the final official budget. If no such appropriation is made in the final official budget, or if no official budget is adopted as of the last day upon which a final budget is required to have been adopted under Chapter 237, Florida Statutes and applicable regulations thereunder, the Lease Term of all Leases shall terminate as of the date of adoption of the final official budget, or such last day, whichever is earlier.

If the School Board declares its intent at such public meeting prior to the end of the then current Fiscal Year not to appropriate the funds, the Lease Term of all Leases shall not be automatically renewed for the following Fiscal Year, but shall terminate on June 30th of the current Fiscal Year.

The School Board shall provide written notice of any non-appropriation of funds described herein to the Trustee, any Credit Facility Issuer and any issuer of a Reserve Account Letter of Credit/Insurance Policy within three (3) Business Days thereafter.

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SECTION 3.6. Surrender of Facilities. (A) Upon the termination of the Lease Term of all Leases prior to the payment of all Lease Payments scheduled therefor or without the payment of the then applicable Purchase Option Price of the Facilities financed under such Lease, or (B) as provided in Section 8.2 hereof upon the occurrence of an event of default, the School Board shall immediately surrender its leasehold estate created hereunder and deliver possession and control of all the Facilities financed under this Master Lease and all Schedules hereto to the Trustee as assignee of the Association or any person designated by it, in the condition, state of repair and appearance required under this Master Lease, in accordance with the instructions of the Trustee. The School Board agrees to execute and deliver any and all instruments necessary to accomplish such surrender, in recordable form. Upon such surrender, the transferee shall sell or re-let its interest in the Facilities in such manner and to such person or persons for any lawful purpose or purposes, as it shall, in its sole discretion, determine to be appropriate. The proceeds derived by such transferee from any such sale or reletting of the School Board's leasehold interest in the Facilities shall be applied first to the payment in full of the Series of Certificates relating to such Facilities and then to the payment of any accrued but unpaid obligations of the Association or its assignee under Section 3 of the Ground Lease relating to such Facilities. Any excess after all such payments shall be paid to the School Board.

If the School Board shall refuse or fail to voluntarily surrender its leasehold estate or deliver possession of the Facilities to the Association or its assignee as above provided, the Association or its assignee may enter into and upon the Facilities, or any part thereof, and repossess the same and thereby restore the Association or its assignee to its former possessory estate as lessee under the related Ground Lease and lessor hereunder, and expel the School Board and remove its effects forcefully, if necessary, without being taken or deemed to be guilty in any manner of trespass in order that the Trustee may sell or re-let such leasehold interest in the Facilities, subject to Permitted Encumbrances, for any lawful purpose or purposes, for the remainder of the term of the related Ground Lease, if applicable, and the School Board shall have no further possessory right whatsoever in the Facilities, for the remainder of the term of the respective Ground Lease; the Trustee may exercise all available remedies at law or in equity to evict the School Board and to enjoy its possessory rights to all Facility Sites under one or more Ground Leases; and the School Board shall be responsible for the payment of damages in an amount equal to the Lease Payments which would have accrued hereunder, calculated on a daily basis, for any period during which the School Board fails to surrender the Facilities or for any other loss suffered by the Association or its assignee as a result of the School Board's failure to surrender the Facilities, all without prejudice to any remedy which might otherwise be available to the

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ARTICLE IV TERMINATION

SECTION 4.1. Termination of Lease Term. The Lease Term will terminate upon the earliest of any of the following events:

(a) with respect to all Leases, on the latest Lease Payment Date set forth in any Schedule attached to this Master Lease;

(b) with respect to all Leases, in the event of non-appropriation of funds for payment of Lease Payments as provided in Sections 3.1, 3.4 and 3.5 of this Master Lease;

(c) with respect to all Leases, upon a default by the School Board with respect to any Lease and the termination of the Lease Term of all Leases by the Trustee pursuant to Section 8.2(1) of this Master Lease;

(d) with respect to a particular Lease, upon payment by the School Board of the Purchase Option Price of the particular Facilities leased under such Lease, or upon provision for such payment pursuant to Section 7.3 hereof, provided, however, that upon such provision for payment the obligation to make Lease Payments under such Lease shall continue to be payable solely from such provision for payment.

SECTION 4.2. Effect of Termination. (a) Upon the termination of the Lease Term for the reason referred to in Section 4.1(b) or (c) hereof, the provisions of Section 3.6 shall be applicable. Upon such termination for the reason referred to in Section 4.1(c) hereof, the provisions of Sections 8.2 and 8.3 shall also be applicable.

(b) In the event of termination of the Lease Term for the reason referred to in Section 4.1(d) hereof, there shall be applied solely from the amounts deposited pursuant to Section 7.3 hereof as a reduction against such Basic Lease Payments to become due after such termination an amount equal to the Basic Lease Payments applicable to the Facilities.

(c) Notwithstanding the termination of the Lease Term pursuant to Section 4.1 hereof, the representations of the School Board set forth in Section 2.10 hereof and the provisions of Section 5.7 hereof shall survive such termination.

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Association or its assignee for arrears of Lease Payments or for any breach of the School Board's covenants herein contained.

Upon the termination of the Lease Term of all Leases as a result of a default by the School Board, the Trustee, the Association or its assignee shall have, in addition to the rights and remedies described above, the right to sue for compensatory damages, including upon failure of the School Board to surrender possession of the Facilities to the Trustee or other assignee of the Association, damages for any loss suffered by the Trustee, the Association or its assignee as a result of the School Board's failure to take such actions as required, including reasonable legal fees.

The School Board, as owner of the Facility Sites, may voluntarily and in cooperation with the Association or its assignee sell the Facility Sites and the Facilities, the proceeds of such sale to be applied by the Trustee in the manner described above in this section. The sale of any particular Facility Site and Facility thereon shall require the consent of the Credit Facility Issuer, if any, insuring the Series of Certificates relating to such Facility Sites and Facility thereon. If applicable, such sale shall be conducted in accordance with the requirements of Section 215.04(1) Florida Statutes and the rules of the State Department of Education promulgated thereunder.

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ARTICLE V COVENANTS OF SCHOOL BOARD

SECTION 5.1. Maintenance of the Facilities by the School Board. The School Board agrees that at all times during each Lease Term, the School Board will, at the School Board's own cost and expense, maintain, preserve and keep the Facilities in good repair and condition, and that School Board will from time to time make or cause to be made all necessary and proper repairs, replacements and renewals, interior and exterior, thereto. The Association shall have no obligation in any of these matters, or for the making of repairs, improvements or additions to the Facilities.

SECTION 5.2. Taxes, Other Governmental Charges and Utility Charges. In the event that the ownership, leasing, use, possession or acquisition of the Facilities or Facility Sites are found to be subject to taxation in any form, the School Board will pay during each Lease Term, as the same come due, all taxes, ad valorem or other taxes, special assessments, imposts and other governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Facilities or Facility Sites and any facilities or other property acquired by the School Board as permitted under this Master Lease in substitution for, as a renewal or replacement of, or a modification, improvement or addition to the Facilities or Facility Sites, as well as all utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Facilities and Facility Sites; provided that, with respect to any governmental charges described above that may lawfully be paid in installments over a period of years, the School Board shall be obligated to pay only such installments as have accrued during the time the Lease Term is in effect.

SECTION 5.3. Provisions Regarding Insurance. During acquisition, construction and installation of the Facilities the School Board shall require any contractor to provide Worker's Compensation, Comprehensive General Liability Insurance, Property Insurance, Professional Liability Insurance, Builders Risk Insurance, Automobile Liability Insurance, Property Insurance, Professional Liability Insurance and other insurance pursuant to the terms of the General Conditions of the School Board. Contractors shall be required to provide builders' all risk property damage insurance in an amount not less than the full value of all work in place and materials and equipment provided or delivered by each supplier. The Trustee and the Association shall be named as additional insureds and loss payees wherever the School Board is to be so named, and shall be entitled to written notice of cancellation to the same extent as the School Board.

The School Board shall, during the Lease Term, purchase and maintain property insurance coverage in an amount not less than

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\$200,000,000 per occurrence, covering the replacement cost of its property including the Facilities insuring against the perils of FIRE, LIGHTNING, WINDSTORM, HAIL, HURRICANE, WINDBLOWN RAIN, DAMAGE FROM WATER, EXPLOSION, AIRCRAFT, VEHICLES, SMOKE, VANDALISM AND MALICIOUS MISCHIEF, TRANSPORTATION HAZARDS, THEFT AND BURGLARY. The School Board shall also purchase and maintain, or cause to be purchased and maintained, combined general and automobile liability insurance coverage in an amount not less than \$1,000,000 per occurrence. The School Board shall also purchase and maintain, or cause to be purchased and maintained boiler & machinery insurance coverage (including air conditioning equipment) in an amount not less than \$500,000 per accident.

The School Board may elect to self insure for any such damage or liability, as provided above, upon the following terms and conditions:

(a) the self-insurance program shall be approved by the Insurance Consultant;

(b) The self-insurance program shall include a sound claims reserve fund out of which each self-insured claim shall be paid; the adequacy of such fund shall be evaluated at least annually by the Insurance Consultant; and any deficiencies in the fund shall be remedied in accordance with the recommendations of the Insurance Consultant;

(c) The self-insurance claims reserve fund shall be held in a bank account credited for the purpose of maintaining such self-insurance funds, which bank account may be under the control of the School Board and may be commingled with other School Board moneys; and

(d) In the event the self-insurance program shall be discontinued, the actuarial soundness of its claims reserve fund shall be maintained.

The School Board's present maximum self insured limits are \$100,000 per occurrence for property coverage; \$200,000 per occurrence for combined general and automobile liability coverage; \$25,000 per accident for boiler & machinery (including air conditioning equipment). If the School Board revises such limits such that its self-insured retention exceeds 10% of the amount of property insurance recommended by the Insurance Consultant, the School Board will cause the adequacy of its self-insurance reserve fund to be reviewed by the Insurance Consultant on an annual basis.

Flood insurance shall be separately maintained for its property, including any of the Facilities, located in a federally designated flood plain, in such amounts per occurrence recommended by the Insurance Consultant as being available at commercially reasonable costs and in minimum amounts necessary to qualify for the Federal disaster relief programs. If such minimum amounts are not available at commercially reasonable costs in the opinion of

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the Insurance Consultant, the School Board shall self-insure for such amounts as will qualify for the Federal disaster relief program.

The sufficiency of the School Board's flood insurance coverage shall be reviewed at least annually by the Insurance Consultant, and the School Board shall follow the recommendations of the Insurance Consultant so long as the recommended insurance meets the criteria set forth in the preceding paragraph.

Any insurance policy issued pursuant to this Section 5.3 shall provide that the Association and the Trustee shall be notified of any proposed cancellation of such policy thirty (30) days prior to the date set for cancellation.

If required by Florida law, the School Board shall carry or cause to be carried worker's compensation insurance covering all employees on, in, near or about the Facilities, and upon request, shall furnish or cause to be furnished to the Association and the Trustee certificates evidencing such coverage.

In the event of any loss, damage, injury, accident, theft or condemnation involving the Facilities, the School Board shall promptly provide or cause to be provided to the Association and the Trustee written notice thereof, and make available or cause to be made available to the Association and the Trustee all information and documentation relating thereto.

Any insurance policy maintained pursuant to this Section 5.3 shall be so written or endorsed to provide that the Trustee (on behalf of the Certificate holders), the Association and the School Board are named as loss payees as their interests may appear and the Net Proceeds of any appropriation made in connection with a self-insurance election shall be payable to the School Board, the Association and the Trustee (on behalf of the Certificate holders) as their respective interests may appear. The Net Proceeds of the insurance required in this Section 5.3 or the Net Proceeds of any appropriation in connection with a self-insurance election shall be applied as provided in Section 5.4(a) and Section 5.4(b) hereof.

SECTION 5.4. Damage, Destruction or Condemnation. If prior to the termination of the Lease Term under a particular Lease, the Facilities financed under such Lease or any portion thereof are destroyed or are damaged by fire or other casualty, or title to, or the temporary use of such Facilities or any portion thereof shall be taken under the exercise of the power of eminent domain, the School Board shall, within sixty (60) days after such damage, destruction or condemnation elect one of the following two options by written notice from an Authorized School Board Representative of such election to the Association and the Trustee:

(a) Option A - Repair, Restoration or Replacement. Except as provided below, the School Board will cause the Net Proceeds of any insurance or the Net Proceeds of any appro-

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riation made in connection with a self-insurance election, or the Net Proceeds of any claim or condemnation award to be applied to the prompt repair, restoration, or replacement (in which case such replacement shall become subject to the provisions of the related Lease as fully as if it were the originally leased Facilities) of such Facilities. Any such Net Proceeds received by the Trustee shall be deposited in the related Acquisition Account and be applied by the Trustee toward the payment of the Cost of such repair, restoration or replacement, utilizing the same requisition process set forth in the Trust Agreement for the payment of the Cost of the Facilities from such Acquisition Account.

(b) Option B - Partial Prepayment. Provided, however, if the School Board has determined that its operations have not been materially affected and that it is not in the best interest of the School Board to repair, restore or replace that portion of the Facilities so damaged, destroyed or condemned, then the School Board shall not be required to comply with the provisions of subparagraph (a) set forth above. If the Net Proceeds are equal to less than ten percent (10%) of the Remaining Principal Portion of the Basic Lease Payments relating to such Facilities, such Net Proceeds shall be deposited in the Lease Payment Account for the Series of Certificates relating to such Facilities to be credited against Basic Lease Payments next coming due in accordance with Section 3.2 (c) hereof. If the Net Proceeds are equal to or greater than ten percent (10%) of the Remaining Principal Portion of the Basic Lease Payments relating to such Facilities, such Net Proceeds shall be deposited in the Prepayment Account for the Series of Certificates relating to such Facilities to be applied to the prepayment in part of the principal portion and accrued interest portion of Basic Lease Payments relating to such Facilities represented by the Certificates in accordance with Section 7.2 hereof.

SECTION 5.5. Insufficiency of Net Proceeds. If the School Board elects to repair, restore or replace the Facilities under the terms of Section 5.4(a) hereof and the Net Proceeds therefor are insufficient to pay in full the Cost of such repair, restoration or replacement, the School Board shall complete the work and pay any Cost in excess of the amount of the Net Proceeds, and the School Board agrees that, if by reason of any such insufficiency of the Net Proceeds the School Board shall make any payments pursuant to the provisions of this Section, the School Board shall not be entitled to any reimbursement therefor from the Association or the Trustee nor shall the School Board be entitled to any diminution of the amounts payable under the related Lease.

SECTION 5.6. Advances. In the event the School Board shall not elect to self-insure any risk that would otherwise require the maintenance of insurance coverage hereunder, and shall fail to

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maintain the full insurance coverage required hereunder, the Association or its assignee may, but shall be under no obligation to, purchase the required policies of insurance and pay the premiums on the same, or if the School Board shall fail to keep the Facilities in good repair and operating condition, the Association or its assignee may, but shall be under no obligation to, make such repairs or replacements as are necessary and provide for payment thereof; and all amounts so advanced therefor by the Association shall become immediately due and payable as a Supplemental Payment under the Lease relating to such Facilities which amounts, together with interest thereon (at an annual interest rate equal to the interest portion of the Basic Lease Payments, expressed as an annual interest rate) until paid, the School Board agrees to pay.

SECTION 5.7. Release and Indemnification. To the extent permitted by Florida law, including the provisions of Section 768.28 Florida Statutes, the School Board shall indemnify and save the Association and the Trustee harmless from and against any and all liability, obligations, claims and damages, including consequential damages and reasonable legal fees and expenses, arising out of, or in connection with, the transactions contemplated by this Master Lease, all Schedules hereto, any Ground Lease, any Assignment Agreement and the Trust Agreement including, without limitation, the issuance of Certificates, except in the case of liability, obligations, claims and damages arising out of their own negligence or willful misconduct.

SECTION 5.8. Payment and Performance Bonds and other Guaranty. The School Board agrees to cause any contractor to provide performance, payment and guarantee and any additional bonds or surety bonds, if and when required pursuant to the General Conditions and the provisions of Section 255.05 Florida Statutes and other applicable provisions of Florida law. Such bonds or other surety shall be in dual obligee form, naming the School Board and the Trustee as dual obligees.

SECTION 5.9. Essential Governmental Functions. The School Board represents and warrants that the services to be provided by or from the Facilities are essential to the delivery of the School Board's essential governmental services, and covenants that during the Lease Term it will use the Facilities to perform essential governmental functions relating to its statutory responsibility of providing for public education throughout the District. The School Board represents and covenants that it has an immediate need for the Facilities, that it does not expect such need to diminish during the Lease Term and that it intends to use the Facilities for public school educational purposes throughout the Lease Term.

SECTION 5.10. Tax Exemption; Rebates. In order to maintain the exclusion from gross income for federal income tax purposes of the interest portion of the Basic Lease Payments paid to the Certificate holders, the School Board shall comply with the provi-

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TITLE

sions of the Code applicable to this Master Lease and each Schedule thereto and each Series of Certificates issued under the Trust Agreement, including without limitation the provisions of the Code relating to the computation of the yield on investments of the Gross Proceeds of each Series of Certificates, reporting of earnings on the Gross Proceeds of each Series of Certificates, and rebating Excess Earnings to the Department of the Treasury of the United States of America. To furtherance of the foregoing, the School Board shall comply with the letter of instructions as to compliance with the Code with respect to each Lease and each Series of Certificates, to be delivered by Special Tax Counsel at the time each Series of Certificates is issued, as such letter may be amended from time to time, as a source of guidance for achieving compliance with the Code.

The School Board shall not take any action or fail to take any action which would cause a Lease and the Series of Certificates relating thereto to be "arbitrage bonds" within the meaning of Section 148(a) of the Code or which would otherwise cause the portion of Basic Lease Payments under such Lease representing the payment of interest as set forth in Section 3.3 hereof to be includable in the gross income of the Certificate holders.

In the event that the school Board shall fail to rebate such Excess Earnings when due, the Association or its assignee may, but shall be under no obligation to, pay amounts due to the Treasury; and all amounts so advanced by the Association or its assignee shall become immediately due and payable as a Supplemental Payment under the Lease relating to such Series of Certificates which amounts, together with interest thereon (at an annual interest rate equal to the interest portion of the Basic Lease Payments relating thereto expressed as an annual interest rate) until paid, the School Board agrees to pay.

Section 5.11. Budget and Tax Levy. The School Board covenants that it shall cause the Superintendent to prepare and submit the budget recommendation in accordance with Section 3.5 hereof including provision for discretionary capital outlay millage under Section 236.25, Florida Statutes, and that the School Board will act on such recommendation, will hold public hearings, will adopt tentative and final official budgets, and will submit such budgets to the Department of Education for approval, all pursuant to the requirements of the laws of Florida and the regulations of the Department of Education as in effect from time to time.

Subject to the right of non-appropriation set forth in Sections 3.1 and 3.5 hereof the School Board expects that its Available Revenues will be sufficient to meet its Lease Payment obligations under the Master Lease in each Fiscal Year.

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satisfactory to the Trustee, naming the School Board, the Association and the Trustee as insureds, as their interests may appear, in amounts as required by such Credit Facility Issuer. Proceeds of any payment under a title insurance policy shall be paid to the Trustee and held for application (at the direction of the School Board prior to the occurrence of an Event of Default or a non-appropriation hereunder) first, to cure any defect in title, and second, in accordance with the priorities set forth in Section 504(a) of the Trust Agreement. The execution of each Ground Lease and each amendment thereto adding or modifying a Facility Site shall be subject to the approval of the related Credit Facility Issuer, if any, and at the time of such execution, there shall be delivered by the School Board to the Trustee an Opinion of Counsel with respect to each Facility Site to the effect that there are no liens or encumbrances on any Facility Site that are not Permitted Encumbrances under the Master Lease, and that there shall be no merger of the fee estate of the School Board in the Facility Sites with the leasehold estates created therein by a Ground Lease or this Master Lease, notwithstanding the fact that the same person may hold one or more leasehold estates and such fee estate.

SECTION 6.2. Liens. Except as permitted under this Master Lease, during the Lease Term each of the Association and the School Board shall not, directly or indirectly, create, incur, assume or suffer to exist any security interest, pledge, lien, charge, encumbrance or claim on any of the Facilities or Facility Sites or leasehold interests therein, other than the respective rights of the Trustee, the Association and the School Board as herein provided. The School Board shall reimburse the Association or the Trustee for any expense incurred by the Association or the Trustee in order to discharge or remove any such security interest, pledge, lien, charge, encumbrance or claim, provided, however, that neither the Association nor the Trustee is under any obligation to incur such expense without having been provided, in advance, with any amounts needed to pay such expense.

SECTION 6.3. Use of the Facilities. The School Board will not use, or maintain the Facilities improperly, carelessly, in violation of any applicable law or in a manner contrary to their use as educational facilities as contemplated by this Master Lease. The School Board shall provide all permits and licenses, if any, necessary for the acquisition, construction and installation of the Facilities. In addition, the School Board agrees to comply in all respects (including, without limitation, with respect to the use and maintenance of the Facilities) with all applicable laws of the jurisdictions in which the Facilities are located and with all applicable regulations, orders and decrees of any legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Facilities; provided, however, that the School Board may contest in good faith the validity or application of any such law or rule in any reasonable manner which does not

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SECTION 6.1. Title to Facility Sites and Facilities. Throughout the term of each Ground Lease, fee title to the Facility Sites described therein shall be in the name of the School Board, subject to Permitted Encumbrances. Upon acquisition and acceptance of any component of the Facilities by the School Board, title to such Facilities shall be vested in the School Board subject to Permitted Encumbrances. At such time as payment, or provision for payment as provided in Section 7.2 or 7.3 hereof, of all Lease Payments or the then applicable Purchase Option Price of one or more Facilities has been made in full, the School Board shall be deemed to have exercised an option to purchase such Facilities and fee simple title to such Facilities free and clear of all encumbrances, including the Association's interest in the Facilities as lessor hereunder and as lessee under the Ground Lease, except Permitted Encumbrances, shall vest in the School Board. Upon substitution of other Facilities for Facilities financed under a Lease as herein provided, fee simple title to the Facilities for which substitution has been made, shall vest in the School Board free and clear of all encumbrances, including the Association's interest in the Facilities as lessor hereunder and as lessee under the Ground Lease, except Permitted Encumbrances. The Association hereby appoints the School Board as its agent to prepare and file or record in appropriate offices such documents as may be necessary to cause record title to such Facilities to vest in the School Board. The Association agrees to immediately execute a written surrender and release and an assignment without recourse or warranty of all its right, title, and interest under the related Lease and Ground Lease to the School Board, or shall execute amendments to the Lease Schedule, if appropriate in the case of the purchase of portions of the Facilities financed under a Lease, as well as all other instruments necessary to vest good and marketable fee simple title to the Facilities in the School Board and relinquish the Association's interest therein, subject only to Permitted Encumbrances. The related Ground Lease shall then be terminated, or modified, as provided therein. The Association shall request the execution of such instruments by the Trustee as may be necessary to affect the conveyances described herein.

There shall be no merger of a Lease or of the leasehold estate thereby created in any Facilities or Facility Sites with the fee estate in such Facilities or Facility Sites by reason of the fact that the same person may acquire or hold, directly or indirectly, a Lease or leasehold estate therein created or any interest therein, and the fee estate in the Facilities or Facility Sites relating to such Lease or any interest in such fee estate.

If required by a Credit Facility Issuer the School Board shall provide one or more policies of leasehold title insurance, in form

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adversely affect the interest or rights of the Association or the Trustee under this Master Lease.

SECTION 6.4. Substitution of Facilities. To the extent permitted by law, the School Board may substitute for any Facilities other facilities owned by the School Board, provided such substituted facilities (a) have the same or a greater remaining useful life, (b) have a fair market value equal to or greater than the Facilities for which they are substituted, (c) are of substantially equal utility as the Facilities to be replaced and meet the requirement of Section 5.9 hereof, (d) are free and clear of all liens and encumbrances, except Permitted Encumbrances and (e) are approved for substitution by the State Department of Education. Such substitution must also be approved by the Credit Facility Issuer, if any, for the Series of Certificates from which the Facilities to be replaced were originally financed. In order to affect such substitution, the Facilities to be replaced shall be released from the encumbrance of the related Lease and Ground Lease by appropriate instrument executed by the School Board and the Association (or Trustee as assignee of the Association) in form sufficient to leave good and marketable fee simple title to such Facilities in the School Board subject only to Permitted Encumbrances, and the facilities to be substituted shall likewise be incorporated in the appropriate Lease and Ground Lease modifications. The related Schedule shall be appropriately amended, and the related Ground Lease shall be amended or cancelled and replaced, to reflect such substitution.

There shall also be delivered at the time of substitution an Opinion of Counsel addressed to the School Board, the Association, the Trustee and any Credit Facility Issuer as to the legality and validity of such substitution under the laws of the State, a policy of leasehold title insurance (if required by the applicable Credit Facility Issuer) and an Opinion of Counsel as described in Section 6.1 hereof with respect to the substitute Facility Site.

For purposes hereof, "fair market value" shall be determined on the basis of an MAI appraisal performed by an appraiser jointly selected by the School Board and the Trustee.

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ARTICLE VII

ASSIGNMENT, OPTION TO PURCHASE, AND PREPAYMENT

SECTION 7.1. Assignment; Subleasing. (A) It is understood that all right, title and interest of the Association in and to each Lease including the right to receive Basic Lease Payments thereunder, is to be absolutely and unconditionally assigned by the Association to the Trustee for the benefit of the holders of the Series of Certificates relating thereto, pursuant to the Assignment Agreement relating to such Lease. The School Board consents to such assignment and agrees that upon such assignment the Trustee shall have all of the rights of the Association thereunder, and shall be deemed to be the Association for all purposes of such Lease hereunder and the School Board agrees to pay to the Trustee at its principal corporate trust office all payments payable by the School Board to the Association pursuant to such Lease, notwithstanding any claim, defense, setoff or counterclaim whatsoever (whether arising from a breach of the Lease or otherwise) that the School Board may from time to time have against the Association or any person or entity associated or affiliated therewith.

(B) This Master Lease and each Schedule hereto may not be assigned by the School Board for any reason. However, Facilities may be subleased, as a whole or in part, by the School Board, without the necessity of obtaining the consent of the Association or its assignee, subject, however, to each of the following conditions:

(a) Such Facilities may be subleased for educational or other purposes, in whole or in part, subject to the rules and regulations of the Department of Education, only to an agency or department or political subdivision of the State, or to another entity or entities if, in the opinion of Special Tax Counsel, such sublease will not impair the exclusion from gross income for Federal income tax purposes of the designated interest component of Basic Lease Payments payable by the School Board under the Lease relating to such Facilities;

(b) This Master Lease, and the obligations of the School Board hereunder and under each Schedule hereto, shall, at all times during each Lease Term, remain obligations of the School Board, and the School Board shall maintain its direct relationships with the Association and its assignee, notwithstanding any sublease;

(c) The School Board shall furnish or cause to be furnished to the Association and its assignee a copy of any sublease agreement;

(d) No sublease by the School Board shall cause the Facilities to be used for any purpose which would adversely

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applicable to each Series of Certificates relating to such Leases to be used to prepay such Series of Certificates in the manner provided in the Trust Agreement; and

(ii) With respect to (c) above, at the election of a Credit Facility Issuer the Purchase Option Price of all Facilities shall become immediately due and payable, and the Trustee shall credit the balance remaining in all Funds and Accounts for each Series of Certificates to the Prepayment Account for such Series, and upon receipt of the Purchase Option Price of all Facilities, shall deposit such moneys to the credit of the related Prepayment Account for the Series relating to each such Facilities, to be used to prepay such Series of Certificates in the manner provided in the Trust Agreement.

In the event of prepayment in part under a particular Lease, the School Board will provide the Trustee a revised Schedule of Lease Payments reflecting said partial prepayment.

In the event of a payment in full of the Purchase Option Price of all Facilities financed hereunder, all covenants, agreements and other obligations of the School Board under this Master Lease shall cease, terminate and become void and be discharged and satisfied except as otherwise provided in Section 4.2(c) hereof. In such event the Trustee and the Association shall execute and deliver to the School Board all such instruments in recordable form at the School Board's expense as may be desirable to evidence such discharge and satisfaction.

SECTION 7.3. Prepayment Deposit. Notwithstanding any other provision of this Master Lease, the School Board may on any date secure the payment of the Purchase Option Price of all Facilities under a particular Schedule hereto and the related Series of Certificates, or, with the prior consent of the Credit Facility Issuer, if any, for the Series of Certificates from which the Facilities in question were originally financed, the Purchase Option Price under a Schedule relating to one or more particular Facilities set forth on such Schedule and a corresponding amount of Certificates of the Series relating thereto, by a deposit with the Trustee as escrow holder under an escrow deposit agreement of amounts as set forth in Section 801 of the Trust Agreement.

In such event all covenants, agreements and other obligations of the School Board under the related Lease, or with respect to one or more particular Facilities financed under such Lease, shall cease, terminate and become void and be discharged and satisfied in accordance with the provisions of Section 4.1(d) hereof, except the obligation of the School Board to make or cause to be made, Basic Lease Payments and any Additional Lease Payments under such Lease from the deposit made by the School Board pursuant to this Section, and except as provided in Section 4.2(c) hereof. In such event, the Trustee shall provide statements for such period or

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affect the exclusion from gross income for Federal income tax purposes of the designated interest component of the Basic Lease Payments payable by the School Board under the Lease relating to such Facilities, or which would violate the constitution, statutes or laws of the State, or the rules and regulations of the Department of Education; and

(e) The term of any sublease cannot extend beyond the end of the then current Lease Term, and shall be subject to immediate cancellation upon the occurrence of a non-appropriation or event of default hereunder.

SECTION 7.2. Prepayment. (A) Optional. The principal portion of the Basic Lease Payments due under a particular Lease represented by a Series of Certificates shall be subject to prepayment at the option of the School Board, in the manner and at the times set forth in the Schedule to this Master Lease relating to such Series.

(B) Mandatory. In the event that:

(a) there shall remain in the Acquisition Account relating to a particular Series of Certificates upon delivery by the School Board of a Certificate of Acceptance indicating completion of the acquisition, construction, installation and payment of all costs of the Facilities financed under a Lease relating to such Series of Certificates (including the failure of the School Board to acquire any component of such Facilities) an amount greater than the amount of Basic Lease Payments coming due in the immediately following Fiscal Year under such Lease, or

(b) there are Net Proceeds equal to or greater than ten percent (10%) of the remaining principal portion of the Basic Lease Payments relating to Facilities financed under a particular Lease, as a result of damage to or destruction or condemnation of such Facilities, in accordance with Section 5.4(b) hereof, or

(c) the Lease Term is terminated for the reasons referred to in Sections 4.1(b) or 4.1(c) hereof;

then, in each case, same shall constitute an "Event of Mandatory Prepayment".

Each Event of Mandatory Prepayment shall result in the following action, respectively:

(1) With respect to (a) and (b) above, the School Board shall pay such Net Proceeds to the Trustee, and the Trustee shall deposit such funds in the respective Prepayment Accounts

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periods as shall be requested by the School Board to be prepared and filed with the School Board and, upon the request of the School Board, the Association or the Trustee, as appropriate, shall execute and deliver to the School Board all such instruments in recordable form at the School Board's expense as may be desirable to evidence such discharge and satisfaction.

SECTION 7.4. Refunding Certificates. The Association shall direct the Trustee, when directed to do so by the School Board, to issue one or more Series of refunding Certificates under a Supplemental Trust Agreement for the purpose of providing for the payment of all or a portion of outstanding Series of Certificates. Simultaneously with the issuance and delivery of such Series of refunding Certificates the proceeds thereof shall be deposited and applied in accordance with Section 7.3 hereof. Upon the deposit as aforesaid, the Trustee and the School Board shall enter into an amendment to the related Lease Schedule at the School Board's expense, in order to adjust the Lease Payments to be made under such Lease to an amount sufficient to pay, as and when the same mature and become due, the principal and interest portions of the Basic Lease Payments represented by the Series of refunding Certificates and by the original Series of Certificates to the extent that such Series has not been refunded (except to such extent as the same may be payable out of moneys or government obligations deposited pursuant to Section 7.3 hereof).

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ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

SECTION 8.1. Events of Default Defined. The following shall be "events of default" under this Master Lease and the terms "event of default" and "default" shall mean, whenever they are used in this Master Lease, any one or more of the following events:

(a) Failure by the School Board to pay in full any Basic Lease Payment with respect to any Lease at the time and in the manner specified herein;

(b) Failure by the School Board to pay in full any Additional Lease Payment or Supplemental Payment with respect to any Lease at the time and in the manner specified herein, and such failure shall continue for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied is given to the School Board by the Association, the Trustee or the related Credit Facility Issuer, if any, provided, however, that if the Authorized School Board Representative certifies to the Association, the Trustee or the related Credit Facility Issuer, if any, in writing that such default cannot with due diligence be cured within such thirty (30) day period and that the School Board has diligently commenced to cure such default within such period, the School Board shall have a reasonable period not exceeding sixty (60) days after written notice (unless further extended by the Credit Facility Issuer) to cure such default;

(c) Failure by the School Board to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder, other than as referred to in Section 8.1(a) or (b) for a period of sixty (60) days after written notice specifying such failure and requesting that it be remedied is given to the School Board by the Association, the Trustee or the related Credit Facility Issuer or any representation of the School Board in this Lease Purchase Agreement shall have been untrue when made; provided, however, that if the Authorized School Board Representative certifies to the Association and the Trustee in writing that such default cannot with due diligence be cured within such sixty (60) day period and that the School Board has diligently commenced to cure such default within such period, the School Board shall have a reasonable period to cure such default; or

(d) The filing of a petition in bankruptcy (or any other commencement of a bankruptcy or similar proceeding by or against the School Board under any applicable bankruptcy, insolvency, reorganization or similar law, now or hereafter in effect, and, in the case of involuntary proceedings, the

failure of the same to be dismissed within one hundred eighty (180) days of the filing thereof.

If by reason of force majeure the School Board is unable in whole or in part to carry out the agreements on its part herein contained, other than the obligations on the part of the School Board contained in Article III hereof, the School Board shall not be deemed in default during the continuance of such inability. The term "force majeure" as used herein shall mean, without limitation, the following: acts of God, strikes, lockouts or other industrial disturbances; acts of public enemies, orders or restraints of any kind of the government of the United States of America or any of its departments, agencies or officials, or any civil or military authority; insurrections; riots; landslides; earthquakes; fires; storms; droughts; floods; or explosions.

Notwithstanding anything contained in this section 8.1 to the contrary, a failure by the School Board to pay when due any payment required to be made under this Master Lease and any Schedule hereto or a failure by the School Board to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Master Lease, resulting from a failure by the School Board to appropriate moneys as contemplated by Sections 3.5 and 5.11 hereof, shall not constitute an event of default under this Section 8.1.

SECTION 8.2. Remedies on Default. Whenever any event of default referred to in Section 8.1 shall have happened and be continuing, the Trustee shall have the right, without any further demand or notice except as hereinafter provided, to take one or any combination of the following remedial steps:

(1) upon written notice to the School Board, terminate the Lease Term of all Leases and, whether or not the Lease Term is terminated, exercise all available remedies at law or in equity as described in Section 3.6 hereof; or

(2) take whatever action at law or in equity as may appear necessary or desirable to collect all Lease Payments or other payments then due and thereafter to become due for the remainder of the then current Lease Term, or the Purchase Option Price then due, or to enforce performance and observance of any obligation, agreement or covenant of the School Board under this Master Lease.

SECTION 8.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Trustee is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Master Lease or now or hereafter existing at law or in equity, subject to any limitations set forth in Section 3.6 hereof.

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ARTICLE IX

MISCELLANEOUS

SECTION 9.1. Notices. All notices, certificates, requests or other communications (other than payments by the School Board) hereunder shall be in writing and shall be sufficiently given and shall be deemed given when delivered or three (3) Business Days after being mailed by first class mail, postage prepaid, to the parties at their respective places of business as follows (or to such other address as shall be designated by any party in writing to all other parties):

Association:	203 South Monroe Street Tallahassee, Florida 32301 Attention: President
School Board:	2055 Central Avenue Fort Myers, Florida 33901 Attention: Superintendent of Schools
Trustee:	225 East Robinson Street Suite 350 Orlando, Florida 32801 Attention: Corporate Trust Division

Copies of any notices shall be provided to all Credit Facility Issuers at the addresses provided in one or more Schedules.

Notice shall also be given by the School Board to the Rating Agencies of the occurrence of any one or more of the following: (i) the appointment of a Successor Trustee, (ii) the expiration or termination of a Credit Facility, (iii) the prepayment or defeasance of any of the Outstanding Certificates in accordance with Section 801 or 802 of the Trust Agreement or (iv) a material modification of or amendment to the Trust Agreement, this Master Lease, any Ground Lease, any Assignment Agreement, and Lease Schedule or any Credit Facility.

SECTION 9.2. Binding Effect. This Master Lease shall inure to the benefit of and shall be binding upon the Association and the School Board and their respective successors and assigns, including without limitation the Trustee pursuant to each Assignment Agreement.

SECTION 9.3. Severability. In the event any provision of this Master Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 9.4. Amendments. The terms of this Master Lease shall not be waived, altered, modified, supplemented or amended in any

manner whatsoever except by written instrument signed by the Association and the School Board and, if required under the terms of the Trust Agreement, by the Trustee, and consented to by each Credit Facility Issuer. Copies of amendments shall be provided to the Rating Agencies.

SECTION 9.5. Execution in Counterparts. This Master Lease may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 9.6. Captions. The captions or headings in this Master Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Master Lease.

SECTION 9.7. Interest. All interest calculations hereunder shall be made on the basis of a 360-day year consisting of twelve 30-day months (unless otherwise provided with respect to Additional Lease Payments on a Schedule hereto).

SECTION 9.8. Compliance with Trust Agreement. The School Board hereby approves and agrees to the provisions of the Trust Agreement. The Association hereby agrees not to amend or modify the Trust Agreement in any way without the written consent of the School Board so long as this Master Lease shall be in effect. The School Board agrees to do all things within its power in order to enable the Association to comply with all requirements and to fulfill all covenants of the Trust Agreement which require the Association to comply with requests or obligations so that the Association will not be in default in the performance of any covenant, condition, agreement or provision of the Trust Agreement, and the School Board further agrees to comply with and perform any obligations to be complied with or performed by the School Board pursuant to the Trust Agreement.

SECTION 9.9. Memorandum of Lease. Simultaneously with the execution of this Master Lease and each Schedule hereto, and thereafter simultaneously with the execution of any Schedule, the School Board and the Association shall each execute, acknowledge and deliver a Memorandum of Lease with respect to the Master Lease and such Schedule. Said Memorandum of Lease shall not in any circumstances be deemed to change or otherwise to affect any of the obligations or provisions of such instrument.

SECTION 9.10. Applicable Law. This Master Lease shall be governed by and construed in accordance with the laws of the State of Florida.

SECTION 9.11. Nonrecourse Obligation of Association. Notwithstanding anything to the contrary herein or in any exhibit, instrument, document or paper relating hereto or any of the transactions

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contemplated hereby, the obligations, liabilities and responsibilities of the Association for any damages, expenses, fees, charges or claims with respect to the failure of any obligations hereunder to be performed by the Association shall be payable solely out of the proceeds derived by the Association from the Project (excluding any indemnities, reimbursements, service fees or other Lease Payments, Additional Lease Payments or Supplemental Payment) and the Association shall have no other or further liability hereunder or arising herefrom.

IN WITNESS WHEREOF, the Association has caused this Master Lease to be executed in its corporate name by its duly authorized officers, and the School Board has caused this Master Lease to be executed in its name by its duly authorized members and officers on the date set forth below their respective signatures and all as of the day and year first written above.

[SEAL]

FLORIDA SCHOOL BOARDS ASSOCIATION, INC.

Attest:

By: Joseph L. Shields
Joseph L. Shields,
Assistant Secretary

By: A. Wayne Blanton
A. Wayne Blanton,
Vice President

Date: September 5, 1991

Date: September 5, 1991

[SEAL]

THE SCHOOL BOARD OF LEE COUNTY, FLORIDA

Attest:
By: James A. Adams
James A. Adams,
Secretary

By: Barbara Wallace
Barbara Wallace,
Chairman

Date: September 5, 1991

Date: September 5, 1991

STATE OF FLORIDA)
COUNTY OF Levy) SS:

I, James C. Blanton, a Notary Public in and for the said County in the State aforesaid, do hereby certify that A. Wayne Blanton and Joseph L. Shields, personally known to me to be the same persons whose names are, respectively, as Vice President and Assistant Secretary of FLORIDA SCHOOL BOARDS ASSOCIATION, INC., a Florida not-for-profit corporation, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said corporation, and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 4 day of September, 1991

James C. Blanton
Notary Public

[NOTARIAL SEAL]

My commission expires:

NOTARY PUBLIC STATE OF FLORIDA
MY COMMISSION EXPIRES AUG. 3, 1992.
BONDED THROUGH PUBLIC UNDERWRITERS.

STATE OF FLORIDA)
COUNTY OF LEE) SS:

I, Glenn J. Newton, a Notary Public in and for the said County in the State aforesaid, do hereby certify that Barbara Wallace and James A. Adams, personally known to me to be the same persons whose names are, respectively, as Chairman and Secretary of the School Board of Lee County, Florida, the governing body of the SCHOOL DISTRICT OF LEE COUNTY, FLORIDA, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said School Board, and delivered the said instrument as the free and voluntary act of said School Board and as their own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 5th day of September, 1991.

Glenn J. Newton
Notary Public

[NOTARIAL SEAL]

My commission expires:

NOTARY PUBLIC STATE OF FLORIDA
MY COMMISSION EXP. FEB. 16, 1996
BONDED THROUGH GENERAL INS. CO.

EXHIBIT A

FORM OF SCHEDULE TO MASTER LEASE PURCHASE AGREEMENT

SCHEDULE NO. _____ dated _____ to Master Lease Purchase Agreement dated as of August 15, 1991 between Florida School Boards Association, Inc. as Lessor (the "Association") and The School Board of Lee County, Florida as Lessee (the "School Board")

THIS SCHEDULE NO. _____ (the "Schedule") is hereby entered into under and pursuant to that certain Master Lease Purchase Agreement dated as of August 15, 1991, as amended and supplemented (the "Master Lease") pursuant to which the Association has agreed to lease purchase unto the School Board and the School Board has agreed to lease purchase from the Association, subject to the terms and conditions of the Master Lease incorporated herein, the Series _____ Facilities herein described. The Master Lease with respect to this Schedule and as amended, modified and supplemented hereby, is referred to herein as the "Series _____ Lease". All terms not otherwise defined herein shall have the respective meanings set forth in the Master Lease, or in the Trust Agreement, including the Series _____ Supplemental Trust Agreement. All terms and conditions contained in the Master Lease, unless otherwise amended or superseded hereby are incorporated herein by reference.

SECTION 1. Definitions. For purposes of the Series _____ Lease the following terms have the meaning set forth below.

"Assignment Agreement" shall mean the Series _____ Assignment Agreement dated as of _____ between the Association and the Trustee.

"Certificates" or "Series of Certificates" shall mean the \$ _____ Certificates of Participation, Series _____ dated as of _____, issued under the Trust Agreement and evidencing undivided proportionate interests of the owners thereof in Basic Lease Payments to be made by the School Board pursuant to the Master Lease.

"Commencement Date" for the Series _____ Lease is _____.

"Series _____ Credit Facility" shall mean _____.

"Series _____ Credit Facility Issuer" shall mean _____.

"Series _____ Facilities" shall mean the Facilities described in this Schedule No. _____.

"Series _____ Facility Sites" shall mean the Facility Sites described in this Schedule No. _____ to be ground leased by the School Board to the Association, as the same may be amended or supplemented from time to time.

"Series _____ Ground Lease" shall mean the Series _____ Ground Lease dated as of _____ between the School Board as Lessor and the Association as Lessee.

"Series _____ Supplemental Trust Agreement" shall mean the Series _____ Supplemental Trust Agreement dated as of _____, 1991 between the Association and the Trustee.

SECTION 2. Lease Term. The total of all Lease Terms of the Lease are expected to be approximately _____ years consisting of an "Original Term" of approximately _____ (_____) months from _____ through and including June 30, _____ and _____ (_____) Renewal Terms, the first _____ (_____) Renewal Term of twelve (12) months, each from July 1 through and including June 30, of the next succeeding calendar year, and the _____ (_____) Renewal Term of approximately _____ (_____) months from July 1, _____ through and including _____. Each Lease Term shall be subject to annual renewal pursuant to the provisions of Article III of the Master Lease.

SECTION 3. Series _____ Facilities to be Lease Purchased. The Series _____ Facilities to be lease purchased under the Series _____ Lease are described as follows:

A. General Description of the Series _____ Facilities to be Lease Purchased:

B. Estimated Costs of the Series _____ Facilities [and Facility sites] to be Lease Purchased:

Table with 5 columns: Facility, Facility site, Planning, Construction, Project Cost

SECTION 4. Series _____ Facility Site(s) to be Ground Leased to the Association and Permitted Encumbrances. The legal description of the Series _____ Facility Site(s) to be ground leased to the Association and Permitted Encumbrances in addition to those specified in the Master Lease is (are) as follows:

SECTION 5. Application of Certain Proceeds of Series _____ Certificates. The Trustee shall deposit the following sums in the following accounts from the proceeds of the Series _____ Certificates:

Amount	Account
\$ _____	Series _____ Acquisition Account
\$ _____	Series _____ Cost of Issuance Subaccount
\$ _____	Series _____ Reserve Account
\$ _____	Series _____ Lease Payment Account

*Represents accrued interest.

SECTION 6. Basic Lease Payments. The principal portion and the interest portion of the Basic Lease Payments, the Payment Dates and the Remaining Principal Portion with respect to the Series _____ Facilities to be lease purchased and the Series _____ Certificates attributable to such Facilities are set forth below. If, upon delivery of the Certificate of Acceptance indicating completion of the acquisition, construction, installation and payment of all costs of the Series _____ Facilities, it is determined that the cost of, and consequently the actual amount of Basic Lease Payments for a Series _____ Facility is different from the amount set forth herein at closing, this Section shall be revised as necessary to reflect the adjusted schedule of Basic Lease Payments for all Series _____ Facilities to be lease purchased, and for each individual Series _____ Facility or group of Series _____ Facilities.

The interest portion of the Basic Lease Payments represented by the Series _____ Certificates, expressed as an annual interest rate, is exempt from the limitations on interest rates set forth in Section 215.84, Florida Statutes, since the Series _____ Certificates are rated within the three highest rating categories by a nationally recognized rating service.

SERIES _____ FACILITIES (COMPOSITE)				
PAYMENT DATE	BASIC LEASE PAYMENT	PRINCIPAL PORTION	INTEREST PORTION	REMAINING PRINCIPAL

[Provide Basic Lease Payment schedule for each Facility or group of Facilities financed hereunder]

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SECTION 7. Additional Lease Payments. Additional Lease Payments with respect to the Series _____ Certificates consist of the following:

1. Trustee Fees;
2. Trustee Expenses;
3. Association Service Fees;
4. Association Expenses;

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SECTION 8. Prepayment Provisions. In addition to [or in lieu of] the prepayment provisions of Section 7.2 of the Master Lease, the principal portion of the Basic Lease Payments due as provided in Section 6 of this Schedule No. _____ are subject to the following prepayment provisions:

A. Optional Prepayment

B. Mandatory Prepayment Provisions

A - 7

SECTION 9. Other Special Provisions.

A. Representations. The School Board hereby confirms its representations, covenants and warranties set forth in Section 2.10 of the Master Lease, except that all references therein to the Master Lease shall be deemed to refer to the Master Lease as supplemented by this Schedule No. 1991A, and except as otherwise provided below. The Association hereby confirms its representations, covenants and warranties set forth in Section 2.11 of the Master Lease, except that all references therein to the Master Lease shall be deemed to refer to the Master Lease as supplemented by this Schedule No. 1991A, and except as otherwise provided below.

B. Notices. Copies of all matters required to be given to a Credit Facility Issuer pursuant to the Master Lease shall be given to the Series _____ Credit Facility Issuer at the following address:

A - 8

IN WITNESS WHEREOF, the Association has caused this Schedule No. _____ to be executed in its corporate name by its duly authorized officers, and the School Board has caused this Schedule No. _____ to be executed in its name by its duly authorized members or officers on the date set forth below their respective signatures and all of the day and year first written above.

[SEAL] FLORIDA SCHOOL BOARDS ASSOCIATION, INC.

Attest:

By: _____ By: _____
Assistant Secretary Vice President

Date: _____ Date: _____

[SEAL] THE SCHOOL BOARD OF LEE COUNTY, FLORIDA

Attest:

By: _____ By: _____
Secretary Chairman

Date: _____ Date: _____

EXHIBIT B

SCHOOL BOARD'S CERTIFICATE

I the undersigned Chairman of the School Board of Lee County, Florida (the "School Board") do hereby certify pursuant to the terms of the Master Lease Purchase Agreement between the School Board and the Florida School Boards Association, Inc. (the "Association") dated as of August 15, 1991 and Schedule No. _____ thereto dated _____ (collectively, the "Lease"), as follows:

1. The School Board has acquired the Series _____ Facilities described in Schedule No. _____.

2. Such Series _____ Facilities meet the School Board's specifications therefor, and have been acquired to the School Board's satisfaction. This certificate constitutes the acceptance certificate for such Series _____ Facilities required by Section 2.3 of the Master Lease and Section 402 of the Master Trust Agreement dated as of August 15, 1991 between the Association and Sun Bank, National Association, Orlando, Florida, as Trustee.

3. The actual cost of such Series _____ Facilities is as follows: \$ _____.

4. The Completion Date for such Series _____ Facilities is _____.

5. Terms defined in the Master Lease and Schedule No. _____ thereto and used in this Certificate have the same meanings in this certificate as are ascribed to such terms in the Master Lease and Schedule No. _____ thereto.

THE SCHOOL BOARD OF LEE COUNTY, FLORIDA

Date: _____ Name: _____
Title: Chairman



INSTR # 6126441
 OR BK 04183 Pgs 4293 - 4304; (12pgs)
 RECORDED 01/27/2004 03:20:07 PM
 CHARLIE GREEN, CLERK OF COURT
 LEE COUNTY, FLORIDA
 RECORDING FEE 55.50
 DEPUTY CLERK C Keller

This instrument was prepared by and when recorded should be returned to:

ROBERT C. GANG, ESQ.
 Greenberg Traurig, P.A.
 1221 Brickell Avenue
 Miami, Florida 33131

(This space reserved for Clerk)

ASSIGNMENT, ASSUMPTION AND MODIFICATION AGREEMENT (the "Assignment") dated as of January 1, 2004, by and among the Lee County School Board Leasing Corporation (the "Corporation"), The School Board of Lee County, Florida (the "School Board"), Florida School Boards Association, Inc. (the "Association"), and SunTrust Bank, as trustee (the "Trustee").

RECITALS:

WHEREAS, the Association and the School Board have provided for the lease-purchase financing of certain real property and educational facilities from time to time by entering into a Master Lease Purchase Agreement, dated as of August 15, 1991, and certain schedules attached thereto, all as set forth on Schedule I hereto (the "Schedules" and collectively with the Master Lease Purchase Agreement, the "Master Lease") ; and

WHEREAS, the Association and the Trustee have entered into a Master Trust Agreement, dated as of August 15, 1991 (the "Master Trust Agreement"), as supplemented by certain Supplemental Trust Agreements, all as set forth on Schedule I hereto (the "Supplemental Trust Agreements" and collectively with the Master Trust Agreement, the "Trust Agreement"), providing for the issuance of series of certificates of participation to the public from time to time; and

WHEREAS, in connection with the issuance of such certificates of participation under the Trust Agreement, the Association has entered into certain Ground Leases with the School Board (the "Ground Leases") and certain Assignment Agreements with the Trustee (the "Assignment Agreements"), all as set forth on Schedule I hereto (the Assignment Agreements and the Ground Leases are collectively referred to herein as the "Certificate Documents"); and

WHEREAS, the Association has determined to irrevocably assign to the Corporation all of its right, title and interest under the Trust Agreement, the Master Lease and the Certificate Documents (collectively, the "Assigned Documents"); and

WHEREAS, the Corporation is willing and able to accept such assignment on the terms and conditions contained herein and is authorized by law to perform the duties imposed upon it in such capacity under the Assigned Documents; and

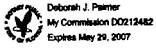
NOW, THEREFORE, the Corporation, the School Board, the Association, and the Trustee, for and in consideration of the premises and of other good and valuable consideration,

STATE OF FLORIDA)
) SS:
COUNTY OF LEE)

The undersigned, a Notary Public in and for the said County in the State aforesaid, do hereby certify that Jeanne Dozier, personally known to me to be the same person whose name is, as President of LEE COUNTY SCHOOL BOARD LEASING CORPORATION, a Florida not-for-profit corporation, subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he, being thereunto duly authorized, signed, sealed with the seal of said corporation, and delivered the said instrument as the free and voluntary act of said corporation and as his own free and voluntary act, for uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 20th day of January, 2004.

NOTARY PUBLIC
SEAL OF OFFICE:



Deborah J. Palmer
NOTARY PUBLIC, STATE OF FLORIDA

Deborah J. Palmer
Name of Notary Public, Print, Stamp or Type as Commissioned

Personally known to me or
produced identification: _____
(Type of Identification Produced)

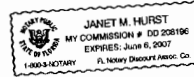
DID take an oath, or DID NOT take an oath.

STATE OF FLORIDA)
) SS:
COUNTY OF LEON)

The undersigned, a Notary Public in and for the said County in the State aforesaid, do hereby certify that A. Wayne Blanton, personally known to me to be the same person whose name is, as Executive Director and Vice President of FLORIDA SCHOOL BOARDS ASSOCIATION, INC., a Florida not-for-profit corporation, subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he, being thereunto duly authorized, signed, sealed with the seal of said corporation, and delivered the said instrument as the free and voluntary act of said corporation and as his own free and voluntary act, for uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 20th day of January, 2004.

NOTARY PUBLIC
SEAL OF OFFICE:



Janet M. Hurst
NOTARY PUBLIC, STATE OF FLORIDA

Janet M. Hurst
Name of Notary Public, Print, Stamp or Type as Commissioned

Personally known to me or
produced identification: _____
(Type of Identification Produced)

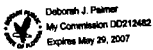
DID take an oath, or DID NOT take an oath.

STATE OF FLORIDA)
) SS:
COUNTY OF LEE)

The undersigned, a Notary Public in and for the said County in the State aforesaid, do hereby certify that Laura M. Brown, personally known to me to be the same person whose name is, as Assistant Vice President of SUNTRUST BANK, a banking corporation organized under the laws of the State of Georgia, subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that she, being thereunto duly authorized, signed, sealed with the seal of said corporation, and delivered the said instrument as the free and voluntary act of said corporation and as her own free and voluntary act, for uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 20th day of January, 2004.

NOTARY PUBLIC
SEAL OF OFFICE:



Deborah J. Palmer
NOTARY PUBLIC, STATE OF FLORIDA

Deborah J. Palmer
Name of Notary Public, Print, Stamp or Type as Commissioned

Personally known to me or
produced identification: Florida Drivers License
(Type of Identification Produced)

DID take an oath, or DID NOT take an oath.

This ASSIGNMENT, ASSUMPTION AND MODIFICATION AGREEMENT, dated as of January 1, 2004, by and among the Lee County School Board Leasing Corporation, The School Board of Lee County, Florida, Florida School Boards Association Inc., and SunTrust Bank, as trustee, is hereby accepted and consented to by Financial Security Assurance Inc.

FINANCIAL SECURITY ASSURANCE INC.

By: Sally A. Buff
Its: MARLENE DEBBOR

Schedule I

The Assigned Documents include the following:

Master Lease Purchase Agreement and Schedules

1. Master Lease Purchase Agreement, dated as of August 15, 1991, between the Association and the School Board. Recorded at OR Book 2244, page 3727.
2. Schedule No. 1991A, dated as of August 15, 1991, as Amended and Restated as of April 30, 1992 and July 20, 1993, and February 1, 1996, as further Amended and Restated as of October 15, 1996, between the Association and the School Board. Recorded at OR Book 2762, page 3144.
3. Schedule 1993A-1, dated as of February 15, 1993, as Amended and Restated as of April 19, 1994 and February 1, 1999, as further Amended and Restated as of October 1, 2002, among the Association, the School Board and the Trustee. Recorded at OR Book 03768, page 1070.
4. Schedule No. 1994A-1, dated as of March 15, 1994, as Amended and Restated as of December 10, 1996, as further Amended and Restated as of February 1, 1999, by and among the School Board, the Association and the Trustee. Recorded at OR Book 2801, page 1094.
5. Schedule No. 1994A-2, dated as of March 15, 1994, between the Association and the School Board.
6. Schedule No. 1996A, dated as of October 15, 1996, as Amended and Restated as of March 7, 2000, among the School Board, the Association and the Trustee. Recorded at OR Book 2762, page 3160.
7. Schedule 2002A-1, dated as of October 1, 2002, as Amended and Restated as of July 1, 2003, among the School Board, the Association and the Trustee. Recorded at OR Book 03768, page 1083.
8. Schedule 2002A-2, dated as of October 1, 2002, between the Association and the School Board.

Master Trust Agreement and Supplemental Trust Agreements

1. Master Trust Agreement, dated as of August 15, 1991, between the Association and the Trustee.
2. Series 1994A Supplemental Trust Agreement, dated as of March 15, 1994, between the Association and Sun Bank, National Association.

3. Series 1995A Supplemental Trust Agreement, dated as of February 1, 1996, between the Association and SunTrust Bank, Central Florida, National Association.
4. Series 1996A Supplemental Trust Agreement, dated as of October 15, 1996 between the Association and the Trustee, as amended by the First Amendment, dated as of March 7, 2000.
5. Series 1999A Supplemental Trust Agreement, dated as of February 1, 1999, by and between the Association and SunTrust Bank, Central Florida, National Association.
6. Series 2002A Supplemental Trust Agreement, dated as of October 1, 2002, between the Association and SunTrust Bank.
7. Series 2002B Supplemental Trust Agreement, dated as of October 1, 2002, between the Association and SunTrust Bank.

Ground Leases

1. Series 1991A Ground Lease, dated as of August 15, 1991, as amended as of October 15, 1996, between the School Board and the Association. Recorded at OR Book 2762, page 3137.
2. First Amendment, dated as of April 19, 1994, to Series 1993A Ground Lease, dated as of February 15, 1993, between the School Board and Sun Bank, National Association, as Assignee of the Association. Recorded at OR Book 2494, page 1868.
3. Second Amendment, dated as of October 1, 2002, to Series 1993A Ground Lease, dated as of February 15, 1993, between the School Board and SunTrust Bank, as Assignee of the Association. Recorded at OR Book 03768, page 1064.
4. Series 1994A Ground Lease, dated as of March 15, 1994, between the School Board and the Association, as amended by the First Amendment, dated as of December 10, 1996, between the School Board and the Trustee as assignee of the Association. Recorded at OR Book 2801, page 1100.
5. Series 1996A Ground Lease, dated as of October 15, 1996, between the School Board and the Association. Recorded at OR Book 2762, page 3152.
6. Series 2002A Ground Lease, dated as of October 1, 2002, between the School Board and the Association, as amended by Amendment No. 1, dated as of July 1, 2003, between the School Board and the Trustee as assignee of the Association. Recorded at OR Book 03768, page 1076.

Assignment Agreements

1. Series 1994A Assignment Agreement, dated as of March 15, 1994, between the Association and the Trustee. Recorded at OR Book 2491, page 2389.
2. Series 1991A Assignment Agreement, dated as of August 15, 1991, between the Association and the Trustee. Recorded at OR Book 2244, page 3735.
3. Series 1996A Assignment Agreement, dated as of October 15, 1996, between the Association and the Trustee. Recorded at OR Book 2762, page 3125.
4. Series 1993A Assignment Agreement, dated as of February 15, 1993, between the Association and the Trustee. Recorded at OR Book 2367, page 3474.
5. Series 2002A Assignment Agreement, dated as of October 1, 2002, between the Association and the Trustee. Recorded at OR Book 03768, page 1090.

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AMENDMENT TO MASTER LEASE PURCHASE AGREEMENT

By and among

THE SCHOOL BOARD OF LEE COUNTY, FLORIDA

And

LEE COUNTY SCHOOL BOARD LEASING CORPORATION

And

U.S. BANK NATIONAL ASSOCIATION

(successor to SunTrust Bank of Florida, National Association), as trustee

THIS AMENDMENT TO MASTER LEASE PURCHASE AGREEMENT (the "Amendment") by and among The School Board of Lee County, Florida, as the governing body of the School District of Lee County, Florida (the "Lessee" or the "School Board"), the Lee County School Board Leasing Corporation (the "Corporation"), a not-for-profit corporation organized and existing under the laws of the State of Florida (the "Lessor" or the "Corporation"), and U.S. Bank National Association (successor to SunTrust Bank, Central Florida, National Association), as trustee (the "Trustee") and assignee, is dated as of June 29, 2020 and effective on the Effective Date (as defined below) and amends that certain Master Lease Purchase Agreement dated as of August 15, 1991, as previously amended to date (the "Original Master Lease"), between the Lessor and the Lessee.

WITNESSETH:

WHEREAS, The School Board of Lee County, Florida (the "School Board"), as the governing body of the School District of Lee County, Florida (the "District"), has determined to finance and refinance certain of its capital needs through a master lease-purchase agreement pursuant to Sections 1001.42 and 1013.15, Florida Statutes; and

WHEREAS, the School Board has the power under Section 1001.42(2), Florida Statutes, to receive, purchase, acquire, lease, sell, hold, transmit and convey title to real and personal property for educational purposes, and under Sections 1001.42(11), 1003.02 and 1013.15(2), Florida Statutes, to enter into leases or lease-purchase arrangements of sites and educational facilities for school purposes; and

WHEREAS, the Florida School Boards Association, Inc. (the "Association"), a not-for-profit corporation duly organized and existing under the laws of the State of Florida, agreed to lease purchase certain real property and educational facilities to the School Board; and

WHEREAS, the Association and the School Board have provided for the lease-purchase financing of certain real property and educational facilities (the "Facilities") from time to time by entering into a Master Lease Purchase Agreement dated as of August 15, 1991, as amended and supplemented (the "Master Lease"), and related agreements; and

WHEREAS, the Facilities to be leased from time to time are identified on separate Schedules (each a "Schedule") attached to the Master Lease; and

WHEREAS, the Association entered into a Master Trust Agreement dated as of August 1, 1991 with U.S. Bank National Association, successor in interest to SunTrust Bank, Central Florida, National Association, (the "Trustee"), providing for the issuance of series of Certificates of Participation to the public from time to time, representing undivided proportionate interests in the principal portion and interest portion of the basic lease payments to be made by the School Board under the Master Lease and the Schedule or Schedules relating to such series of Certificates; and

WHEREAS, pursuant to an Assignment, Assumption and Modification Agreement dated as of January 1, 2004 among the Lee County School Board Leasing Corporation (the "Corporation"), the Association, the School Board and the Trustee, the Association assigned to

the Corporation, all of its right, title and interest under the Master Lease to the Corporation and the Corporation has assumed all of the Association's obligations thereunder; and

WHEREAS, the School Board now wishes to amend the Master Lease Agreement to (a) revise the insurance provisions therein to reflect the change in the insurance market since 1991, and (b) clarify Section 9.4 with respect to amendments, which was written at a time when all Certificates were insured and therefor provided for the consent of insurers to amendments but did not provide for the consent of holders of Certificates to amendments;

WHEREAS, the School Board has authorized this Amendment under a Resolution adopted on March 7, 2017; and

WHEREAS, the Corporation has authorized this Amendment under a Resolution adopted on March 7, 2017; and

WHEREAS, under Section 9.4 of the Original Master Lease, the Original Master Lease can be amended "by written instrument signed by the School Board and the Corporation and, if required under the terms of the Trust Agreement, by the Trustee, and consented to by each Credit Facility Issuer;" and

WHEREAS, under certain Schedules, Section 9.4 has been amended to provide, among other things, for consent of holders of Certificates when there is no Credit Facility Issuer, which amendments to Section 9.4 are not uniform;

NOW, THEREFORE, THIS AMENDMENT TO THE MASTER LEASE PURCHASE AGREEMENT WITNESSETH:

SECTION 1. DEFINITIONS. (a) For purposes of this Amendment the following terms have the meaning set forth below.

"Effective Date" shall mean the date on which this Amendment become effective in accordance with Section 8 hereof.

(b) Section 1.1 of the Original Master Lease is hereby revised by deleting the definition of "Insurance Consultant" therein and replacing it with the following (inserts are indicated by double underlining and deletions by strikethrough):

"Insurance Consultant" shall mean a nationally recognized independent insurance company, agent or broker, selected by the School Board, that has ~~actual~~ actual personnel experienced in the area of insurance which the School Board is to provide or for which the School Board is to be self-insured.

(c) All terms used herein and not otherwise defined herein shall have the respective meanings set forth in the Original Master Lease.

SECTION 2. AMENDMENT OF SECTION 5.3 OF THE ORIGINAL MASTER LEASE. Section 5.3 of the Original Master Lease is hereby deleted in its entirety and in lieu thereof the following shall be inserted:

SECTION 5.3. Provisions Regarding Insurance. The School Board shall, during the Lease Term, purchase and maintain property insurance coverage against such risks and in such amounts as are customarily insured against in connection with the operation of facilities comparable in size and scope to the Facilities, and the School Board will carry and maintain or cause to be carried and maintained and pay, or cause to be paid, the premiums for at least the following insurance with respect to the Facilities, to the extent such insurance is available at commercially reasonable costs, insuring against the perils of FIRE, LIGHTNING, WINDSTORM, HAIL, HURRICANE, WINDBLOWN RAIN, DAMAGE FROM WATER, EXPLOSION, AIRCRAFT, VEHICLES, SMOKE, VANDALISM AND MALICIOUS MISCHIEF, TRANSPORTATION HAZARDS, THEFT AND BURGLARY.

Determination of the appropriate amount of insurance coverage shall be made annually by the Superintendent, in consultation with the Insurance Consultant and Insurance and Benefits Department of the School Board, and the School Board shall consider the recommendations of the Superintendent so long as the recommended insurance is available at commercially reasonable costs and otherwise satisfies the criteria set forth herein. The School Board shall maintain eligibility for assistance by the Federal Emergency Management Agency.

In addition, the School Board may elect to self-insure for all or any portion of such coverage, as provided above. The self-insurance program shall be reviewed annually by the Superintendent, in consultation with the Insurance Consultant and Insurance and Benefits Department.

Flood insurance shall be maintained for its property, including any of the Facilities, located in a federally designated special flood hazard area, in such amounts per occurrence recommended by the Insurance Consultant as being available at commercially reasonable costs and in minimum amounts necessary to qualify for the Federal disaster relief programs. If such minimum amounts are not available at commercially reasonable costs in the opinion of the Insurance Consultant, the School Board shall self-insure for such amounts as will qualify for the Federal disaster relief program.

The sufficiency of the School Board's flood insurance coverage shall be reviewed at least annually by the Superintendent, in consultation with the Insurance Consultant and Insurance and Benefits Department of the School Board, and the School Board shall consider the recommendations of the Insurance Consultant so long as the recommended insurance meets the criteria set forth in the preceding paragraph.

Any insurance policy issued pursuant to this Section 5.3 shall provide that the Corporation and the Trustee shall be notified in writing of any proposed cancellation of such policy thirty (30) days prior to the date set for cancellation. Any policy of all risk property insurance must be obtained from a commercial

insurance company or companies rated "Secure" by A.M. Best Company or in one of the three highest rating categories of Moody's and S&P.

In the event of any loss, damage, or condemnation involving the Facilities, the School Board shall promptly provide or cause to be provided to the Corporation and the Trustee written notice thereof, and make available or cause to be made available to the Corporation and the Trustee all information and documentation relating thereto.

Any insurance policy maintained pursuant to this Section 5.3 shall be so written or endorsed to provide that the Trustee (on behalf of the Certificate holders), and the Corporation are named as additional insureds, and the Trustee, the Corporation and the School Board are named as loss payees as their interests may appear and the Net Proceeds of any appropriation made in connection with a self-insurance election shall be payable to the School Board, the Corporation and the Trustee (on behalf of the Certificate holders) as their respective interests may appear. The Net Proceeds of the insurance required in this Section 5.3 or the Net Proceeds of any appropriation in connection with a self-insurance election shall be applied as provided in Section 5.4(a) and Section 5.4(b) hereof.

SECTION 3. AMENDMENT OF SECTION 9.4 OF THE ORIGINAL MASTER LEASE. Section 9.4 of the Original Master Lease is hereby deleted in its entirety and in lieu thereof the following shall be inserted:

SECTION 9.4. Amendments. The terms of this Master Lease and any Schedule hereto shall not be waived, altered, modified, supplemented or amended in any manner whatsoever by written instrument signed by the Corporation and the School Board and, if required under the terms of the Trust Agreement, by the Trustee. Except as otherwise provided herein, the consent of the holders of at least a majority in principal amount of Outstanding Certificates who are affected by such waiver, alteration, modification, supplement or amendment shall be required. With respect to insured Certificates, the related Credit Facility Issuer, if any, shall consent in lieu of the consent of the holders of Certificates it insures. Notwithstanding the foregoing, a Schedule may be amended without obtaining the consent of the holders of the affected Certificates or of a Credit Facility Issuer, if any, for the purpose of (1) adding a legal description and/or the permitted encumbrances for a Facility Site which has already been designated in such Schedule, (2) adding additional Facilities to be financed under such Schedule, (3) substituting Facilities in accordance with Section 6.4 hereof, or (4) releasing a Facility or portion thereof if such Facility or portion thereof has been released from the lien of the Lease in accordance with the provisions thereof.

SECTION 4. PROVISIONS OF ORIGINAL MASTER LEASE NOT OTHERWISE MODIFIED. Except as expressly modified or amended hereby, the Original Master Lease shall remain in full force and effect.


SECTION 5. COUNTERPARTS. This Amendment may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.


SECTION 6. HEADINGS. Any heading preceding the text of the several Sections 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 Amendment, nor shall they affect its meaning, construction or effect.

SECTION 7. LAWS. This Amendment shall be construed and governed in accordance with the laws of the State of Florida, without giving effect to principles of conflicts of laws.

SECTION 8. EFFECTIVE DATE. This Amendment shall become effective upon execution by the School Board, the Corporation and the Trustee and the consent of the holders of a majority in principal amount of the Outstanding Certificates or with the consent of the related Credit Facility Issuer, if any, in lieu of the consent of the holders of Certificates it insures.

IN WITNESS WHEREOF, the Trustee has caused this Amendment to Master Lease Purchase Agreement to be executed in its corporate name by its duly authorized officer, and the Corporation has caused this Amendment to Master Lease Purchase Agreement to be executed in its name by its duly authorized members or officers, and the School Board has caused this Amendment to Master Lease Purchase Agreement to be executed in its name by its duly authorized members or officers all as of the Effective Date.

[SEAL]  DocuSigned by:
LEE COUNTY SCHOOL BOARD LEASING CORPORATION
Attest:
DocuSigned by:
By: Dr. Gregory K. Adkins Gregory K. Adkins, Ed. D. Secretary
DocuSigned by:
By: Mary Fischer Mary Fischer President

[SEAL]  DocuSigned by:
THE SCHOOL BOARD OF LEE COUNTY, FLORIDA
Attest:
DocuSigned by:
By: Dr. Gregory K. Adkins Gregory K. Adkins, Ed. D. Secretary
DocuSigned by:
By: Mary Fischer Mary Fischer Chairman

U.S. BANK NATIONAL ASSOCIATION,
as Trustee
By: _____
Leanne M. Duffy
Vice President

IN WITNESS WHEREOF, the Trustee has caused this Amendment to Master Lease Purchase Agreement to be executed in its corporate name by its duly authorized officer, and the Corporation has caused this Amendment to Master Lease Purchase Agreement to be executed in its name by its duly authorized members or officers, and the School Board has caused this Amendment to Master Lease Purchase Agreement to be executed in its name by its duly authorized members or officers all as of the Effective Date.

[SEAL] **LEE COUNTY SCHOOL BOARD LEASING CORPORATION**
Attest:
By: _____
Gregory K. Adkins, Ed. D. Secretary
By: _____
Mary Fischer President

[SEAL] **THE SCHOOL BOARD OF LEE COUNTY, FLORIDA**
Attest:
By: _____
Gregory K. Adkins, Ed. D. Secretary
By: _____
Mary Fischer Chairman

U.S. BANK NATIONAL ASSOCIATION,
as Trustee
By: Leanne M. Duffy
Leanne M. Duffy
Vice President

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AMENDED AND RESTATED SCHEDULE 2016A
dated as of October 1, 2016
Amended and Restated as of August 1, 2026
to the
Master Lease Purchase Agreement dated as of
August 15, 1991, as amended and supplemented
among
Lee County School Board Leasing Corporation
(successor in interest to Florida School Boards Association Inc.),
as Lessor (the “Corporation”)

and

The School Board of Lee County, Florida,
as Lessee (the “School Board”)

and

U.S. Bank Trust Company, National Association
(successor in interest to SunTrust Bank,
Central Florida, National Association),
as Trustee and Assignee
(the “Trustee”)

THIS AMENDED AND RESTATED SCHEDULE 2016A (the “Schedule”) is hereby entered into as of August 1, 2026, under and pursuant to that certain Master Lease Purchase Agreement dated as of August 15, 1991, as amended and supplemented (the “Master Lease”) pursuant to which the Trustee as Assignee of the Corporation has agreed to finance the lease purchase unto the School Board and the School Board has agreed to lease purchase from the Corporation, subject to the terms and conditions of the Master Lease incorporated herein, the Series 2016A Facility herein described. The Trustee, as assignee of the Corporation hereby demises, leases and subleases to the School Board, and the School Board hereby hires, takes, leases and subleases from the Trustee, the Series 2016A Facility described herein, together with the rights described in clauses (i), (ii) and (iii) of Section 1 in the Series 2016A Ground Lease (hereinafter defined). The Master Lease with respect to this Schedule and as modified and supplemented hereby is referred to herein as the “Series 2016A Lease”. All terms and conditions contained in the Master Lease, unless otherwise amended or superseded hereby are incorporated herein by reference.

Section 1. Definitions. For purposes of the Series 2016A Lease the following terms have the meanings set forth below. All capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to them in the Master Lease or the Trust Agreement, as appropriate.

“**Commencement Date**” for the Series 2016A Lease is October 12, 2016.

“Series 2016A Certificates” shall mean the \$61,080,000 Certificates of Participation, Series 2016A dated as of the Closing Date, issued under the Trust Agreement and evidencing undivided proportionate interests of the owners thereof in Basic Lease Payments to be made by the School Board pursuant to the Master Lease.

“Series 2016A Facility” shall mean the Facility described in this Schedule 2016A, as this Schedule 2016A may be amended or supplemented from time to time.

“Series 2016A Facility Site” shall mean the Facility Site described in this Schedule 2016A to be ground leased by the School Board to the Corporation, as the same may be amended or supplemented from time to time.

“Series 2016A Supplemental Trust Agreement” shall mean the Series 2016A Supplemental Trust Agreement dated as of October 1, 2016, between the Corporation and the Trustee.

“Series 2026A Certificates” shall mean the Certificates of Participation, Series 2026A, issued under the Series 2026A Supplemental Trust Agreement and evidencing undivided proportionate interests of the owners thereof in Basic Lease Payments to be made by the School Board pursuant to the Master Lease.

“Series 2026A Supplemental Trust Agreement” shall mean the Series 2026A Supplemental Trust Agreement dated as of August 1, 2026, between the Corporation and the Trustee.

“Unrefunded Certificates” shall mean the Series 2016A Certificates maturing on August 1, 2026 and August 1 2036, which are not refunded in connection with the issuance of the Series 2026A Certificates.

Section 2. Lease Term. The total of all Lease Terms of the Series 2016A Lease is expected to be approximately twenty (20) years and ten (10) months consisting of an “Original Term” from the Commencement Date through and including June 30, 2017, and nineteen (19) Renewal Terms of twelve (12) months each, each from July 1 through and including June 30 of the next succeeding calendar year, commencing July 1, 2017 and ending June 30, 2036, and the last Renewal Term from July 1, 2036 to August 1, 2036. Each Lease Term shall be subject to annual renewal pursuant to the provisions of Article II of the Master Lease.

Section 3. Series 2016A Facility to be Lease Purchased. A general description and the estimated costs of the Series 2016A Facility to be lease-purchased under the Series 2016A Lease are described in Exhibit A hereto. If, upon delivery of a certificate from the School Board to the Trustee indicating completion of the acquisition, construction, installation and payment of all costs of the Series 2016A Facility, or it is determined that the cost of, and consequently the actual amount of Basic Lease Payments for, the Series 2016A Facility is lower than the amount set forth herein, Exhibit A shall be revised as necessary to reflect the adjusted cost. The School Board reserves the right to substitute other facilities for the Facility set forth herein, in accordance with the requirements of the Series 2016A Lease.

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1. Trustee Fees: Acceptance Fee of \$1,000.
Annual administration fee of \$3,000.
2. Trustee Expenses: \$3,750 for counsel fees, \$300 out of pocket estimated expenses for counsel fees, plus out-of-pocket expenses billed at cost.

Additional Lease Payments with respect to the Unrefunded Certificates and Series 2026A Certificates consist of the following amounts paid or to be paid, except as otherwise provided herein, by the School Board on the following dates:

1. Trustee Fees: Acceptance Fee of \$ ____.
Annual administration fee of \$ ____.
2. Trustee Expenses: \$ ____ for counsel fees.

Section 8. Prepayment Provisions. In lieu of the prepayment provisions of Section 7.2 of the Master Lease, the principal portion of the Basic Lease Payments due as provided in Section 6 of this Schedule 2016A is subject to the following prepayment provisions:

A. *Optional Prepayment.*

Series 2016A Certificates:

The principal portion of Basic Lease Payments due on June 30, 2036 is subject to prepayment in whole or in part on any Business Day on or after June 30, 2021, at a Prepayment Price equal to (a) 100% of the principal portion of Basic Lease Payment to be prepaid, plus (b) the accrued and unpaid interest portion of Basic Lease Payments represented by the Series 2016A Certificates to be prepaid on the Prepayment Date.

Series 2026A Certificates:

The principal portion of Basic Lease Payments shall not be subject to prepayment prior to maturity.

B. *Extraordinary Prepayment.* The extraordinary prepayment provisions set forth in Section 7.2(B)(a) and 7.2(B)(b) and Section 5.4(b) of the Master Lease shall not apply to the Series 2016A Lease.

Section 7.2(B)(a) and (b) of the Master Lease shall not apply to the Series 2026A Certificates. Notwithstanding anything in the Series 2016A Lease to the contrary, in lieu of the extraordinary prepayment provisions of Section 7.2(B)(b) of the Master Lease, the Net Proceeds shall either (1) be applied to pay the Costs of other Facilities, in which case such other Facilities shall become subject to the provisions of this Series 2016A Lease as fully as if they were the originally leased Series 2016A Facility or (2) at the direction of the School Board, upon delivery to the Trustee of a favorable opinion of Special Tax Counsel, such Net Proceeds shall be deposited in the Series 2016A Lease Payment Account to be credited against Basic Lease Payments next coming due in accordance with Section 3.2(c) of the Master Lease.

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Section 4. Series 2016A Facility Site to be Ground Leased to the Corporation and Permitted Encumbrances. The legal descriptions of the Series 2016A Facility Site to be ground leased to the Corporation and Permitted Encumbrances (in addition to those specified in the Master Lease) are as set forth in Exhibit B hereto. Substitutions may be made in accordance with the requirements of the Series 2016A Lease and the Series 2016A Ground Lease.

Section 5. Application of Certain Proceeds of Certificates. Pursuant to the provisions of Section 402 of the Series 2016A Supplemental Trust Agreement the Trustee will deposit the following sums attributable to the cost of the Series 2016A Facility to be lease purchased hereunder, including the Series 2016A Facility Site, in the following accounts from the proceeds of the Series 2016A Certificates.

<u>Amount</u>	<u>Account</u>
\$70,935,000.00	Series 2016A Acquisition Account
\$335,890.67	Series 2016A Cost of Issuance Subaccount

Pursuant to the provisions of Section 402 of the Series 2026A Supplemental Trust Agreement the Trustee will deposit the following sums attributable to the cost of the Series 2016A Facility to be lease purchased hereunder, including the Series 2016A Facility Site, in the following accounts from the proceeds of the Series 2026A Certificates.

<u>Amount</u>	<u>Account</u>
\$ _____	Series 2016A Prepayment Account
\$ _____	Series 2026A Cost of Issuance Subaccount

Section 6. Basic Lease Payments. The interest portion and principal portion of the Basic Lease Payments, the Lease Payment Dates (June 30 and December 30), and the remaining principal portion with respect to the Series 2016A Facility to be lease purchased are set forth in Exhibit C hereto. The Schedule of Basic Lease Payments shall be no less than the principal and interest payments with respect to the Series 2026A Certificates relating to the Series 2016A Facility and shall be amended only in the event of a prepayment or a prepayment deposit of the principal portion of Basic Lease Payments represented by such portion of the Series 2026A Certificates pursuant to Section 7.2 or 7.3 of the Master Lease, and prepayment or defeasance of such portion of Series 2026A Certificates pursuant to Section 203 of the Series 2026A Supplemental Trust Agreement or Section 801 of the Master Trust Agreement.

The interest portion of the Basic Lease Payments represented by the Unrefunded Certificates and the Series 2026A Certificates, expressed as an annual interest rate, is exempt from the limitations on interest rates set forth in Section 215.84, Florida Statutes, since the Unrefunded Certificates and the Series 2026A Certificates are rated within the three highest rating categories by a nationally recognized rating service.

Section 7. Additional Lease Payments. Additional Lease Payments with respect to the Series 2016A Lease consist of the following:

Section 9. Other Special Provisions.

A. Representations.

(i) The School Board hereby represents, covenants and warrants that adequate water, sanitary sewer and storm sewer utilities, electric power, telephone and other utilities are available to the Series 2016A Facility, or the cost of making them available is included in the School Board's acquisition and construction budget for the Series 2016A Facility.

(ii) The School Board hereby confirms its representations, covenants and warranties set forth in Section 2.10 of the Master Lease and all references therein to the Facilities shall include the Series 2016A Facility, except that all references therein to the Master Lease shall be deemed to refer to the Master Lease as supplemented by this Schedule 2016A, and except as otherwise provided below. The Corporation hereby confirms its representations, covenants and warranties set forth in Section 2.11 of the Master Lease and all references therein to the Facilities shall include the Series 2016A Facility, except that all references therein to the Master Lease shall be deemed to refer to the Master Lease as supplemented by this Schedule 2016A, and except as otherwise provided below.

(iii) The School Board and the Corporation hereby represent that the Master Lease is in effect and that to their knowledge there are no defaults on the date of execution of this Schedule 2016A under any Lease, Ground Lease or the Trust Agreement.

B. Continuing Disclosure. For purposes of the Series 2016A Lease, the School Board hereby covenants and agrees that it will comply with and carry out all of the provisions of the Disclosure Dissemination Agent Agreement. Notwithstanding any other provision of the Series 2016A Lease, failure of the School Board to comply with the Disclosure Dissemination Agent Agreement shall not be considered an Event of Default; however, the Trustee may (and, at the request of any participating underwriter or the Holders of at least 25% aggregate principal amount in Outstanding Series 2016A Certificates and Series 2026A Certificates, shall) or any Holder of the Series 2016A Certificates, Series 2026A Certificates or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the School Board to comply with its obligations under this Section 9.B. For purposes of this Section, "Beneficial Owner" means any person who, (1) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2016A Certificates or Series 2026A Certificates (including persons holding Series 2016A Certificates or Series 2026A Certificates through nominees, depositories or other intermediaries), or (2) is treated as the owner of any Series 2016A Certificates or Series 2026A Certificates for federal income tax purposes.

C. Amendment of Section 5.4(b) of the Master Lease. For purposes of the Series 2016A Lease, Section 5.4(b) of the Master Lease shall read as follows:

(b) Option B - Deposit to Lease Payment Account or Acquisition Account. Provided, however, if the School Board has determined that its operations have not been materially affected and that it is not in the best interest of the School

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Board to repair, restore or replace that portion of the Facilities as damaged, destroyed or condemned, then the School Board shall not be required to comply with the provisions of subparagraph (a) set forth above. If the Net Proceeds are (i) less than ten percent (10%) of the Remaining Principal Portion of the Basic Lease Payments relating to such Facilities and (ii) equal to or less than the amount of Basic Lease Payments coming due in the immediately following Fiscal Year under such Lease, then such Net Proceeds may, at the option of the School Board, (x) be deposited in the Lease Payment Account for the Series of Certificates relating to such Facilities to be credited against Basic Lease Payments next coming due in accordance with Section 3.2(c) hereof or (y) deposited in the Acquisition Account for the Series of Certificates relating to such Facilities and applied to pay the Costs of other Facilities, in which case such other Facilities shall become subject to the provisions of the related Lease as fully as if they were the originally leased Facilities. If the Net Proceeds are (i) equal or greater than ten percent (10%) of the Remaining Principal Portion of the Basic Lease Payments relating to such Facilities or (ii) greater than the amount of Basic Lease Payments coming due in the immediately following Fiscal Year under such Lease, then the Net Proceeds shall be deposited in the Acquisition Account for the Series of Certificates relating to such Facilities and applied to pay the Costs of other Facilities, in which case such other Facilities shall become subject to the provisions of the related Lease as fully as if they were the originally leased Facilities; provided, however, at the direction of the School Board, with the consent of the Credit Facility Issuer, if any, upon delivery to the Trustee of a Favorable Opinion, such Net Proceeds shall be deposited in the Lease Payment Account for the Series of Certificates relating to such Facilities to be credited against Basic Lease Payments next coming due in accordance with Section 3.2(c) hereof.

D. Amendment of Section 9.4 of the Master Lease. For purposes of the Series 2016A Lease, Section 9.4 of the Master Lease shall read as follows:

SECTION 9.4. Amendments. The terms of this Master Lease and any Schedule shall not be waived, altered, modified, supplemented or amended in any manner whatsoever except by written instrument signed by the Corporation and the School Board and, if required under the terms of the Trust Agreement, by the Trustee, with the consent of the Credit Facility Issuer, if any. In the event that there is no Credit Facility Issuer, except as otherwise provided herein, the consent of the Holders of at least a majority in principal amount of the Certificates Outstanding who are affected by such waiver, alteration, modification, supplement or amendment shall be required. Notwithstanding the foregoing, a Schedule may be amended without obtaining the consent of Holders of the affected Certificates, for the purpose of (1) adding a legal description and/or the permitted encumbrances for a Facility Site which has already been designated in such Schedule, (2) adding additional Facilities to be financed under such Schedule, (3) substituting Facilities in accordance with Section 6.4 hereof or (4) releasing a Facility or portion thereof if such Facility or portion thereof has been released from the lien of the Lease in accordance with the provisions thereof.

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IN WITNESS WHEREOF, the Corporation has caused this Amended and Restated Schedule 2016A to be executed in its corporate name by its duly authorized officers, and the School Board has caused this Amended and Restated Schedule 2016A to be executed in its name by its duly authorized members or officers all as of the day and year first written above.

[SEAL] **LEE COUNTY SCHOOL BOARD LEASING CORPORATION**

Attest:

By: _____ By: _____
Denise M. Carlin, Ed.D. Armor Persons
Secretary Secretary

[SEAL] **THE SCHOOL BOARD OF LEE COUNTY, FLORIDA**

Attest:

By: _____ By: _____
Denise M. Carlin, Ed.D. Armor Persons
Secretary and Superintendent Chair

Approved as to form:

By: _____
Robert Dodig, Esq.
School Board Attorney

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as assignee and trustee

By: _____
Leanne Duffy
Vice President

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EXHIBIT A TO SCHEDULE 2016A

A. General Description of the Series 2016A Facility to be Lease Purchased:

Bonita Springs High School (f/k/a High School "LLL", South Zone High School)

Bonita Springs High School was constructed in Bonita Springs, Florida on a 76-acre site that the District purchased on Imperial Parkway. The facility contains approximately 280,000 gross square feet and provides for a total capacity of 2,000 students. The physical plant consists of three primary buildings with multiple outbuildings that house over 65 classrooms that include general classrooms, music, art, ESE, science labs, environmental labs, media center, gymnasium, auditorium, cafeteria, and administrative offices. The school opened in August 2018.

B. Estimated Costs of the Series 2016A Facility and Series 2016A Facility Site:

The following table sets forth the School Board's current estimates of the cost of each of the facilities comprising the Series 2016A Facility.

Facilities Description	Planning/Design	Furniture, Fixtures & Equipment	Construction/ Acquisition	Total Project Cost
High School LLL	\$2,250,000	\$5,200,000	\$63,485,000	\$70,935,000
Total				

The foregoing reflects the current expectations of the School Board and District as of September 21, 2016, as to the nature, scope and cost of the Series 2016A Facility and is subject to change and amendment.

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EXHIBIT B TO SCHEDULE 2016A

Legal Description and Permitted Encumbrances (Series 2016A Facility Site)

A. DESCRIPTION OF REAL ESTATE

A PORTION OF SECTIONS 23 AND 24, TOWNSHIP 47 SOUTH, RANGE 25 EAST, LEE COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGIN AT THE SOUTHWEST CORNER OF THE AFOREMENTIONED SECTION 24; THENCE, ALONG THE WEST LINE OF THE SOUTHWEST ONE-QUARTER OF SAID SECTION 24, N. 01°15'53"W., 2,426.50 FEET TO A CONCRETE MONUMENT; THENCE ALONG THE SOUTH LINE OF THE SOUTH ONE-HALF OF THE SOUTH ONE-HALF OF THE SOUTHWEST ONE-QUARTER OF THE SOUTHWEST ONE-QUARTER, S.85°50'32"W., 1378.87 FEET; THENCE ALONG THE WEST LINE OF THE SOUTH ONE-HALF OF THE SOUTH ONE-HALF OF THE SOUTHWEST ONE-QUARTER OF THE SOUTHWEST ONE-QUARTER, N.01°39'38"W., 312.45 FEET; THENCE ALONG THE NORTH LINE OF THE SOUTH ONE-HALF OF THE SOUTH ONE-HALF OF THE SOUTHWEST ONE-QUARTER OF THE SOUTHWEST ONE-QUARTER, N.86°12'34"E., 1372.11 FEET; THENCE, ALONG THE WEST LINE OF THE NORTHWEST ONE-QUARTER OF THE AFOREMENTIONED SECTION 24, N.02°52'06"W., 507.12 FEET; THENCE, ALONG THE WESTERLY LINE OF THE PROPOSED THREE OAKS PARKWAY FOR THE FOLLOWING THREE (3) COURSES:

1. ALONG ARC OF A NON-TANGENT CIRCULAR CURVE CONCAVE TO THE NORTHEAST AND HAVING FOR ITS ELEMENTS A RADIUS OF 6,007.66 FEET, A CENTRAL ANGLE OF 08°59'57", A CHORD DISTANCE OF 942.63 FEET, A CHORD BEARING OF S.32°04'05"E., AN ARC DISTANCE OF 943.60 FEET;

2. S.36°34'04"E., 1087.15 FEET;

3. ALONG THE ARC OF A TANGENT CIRCULAR CURVE CONCAVE TO THE WEST HAVING FOR ITS ELEMENTS A RADIUS OF 1,525.00 FEET, A CENTRAL ANGLE OF 67°04'48" A CHORD DISTANCE OF 1,685.18 FEET, A CHORD BEARING OF S.03°01'40"E., AN ARC DISTANCE OF 1,785.42 FEET;

THENCE S.30°30'44"W., 33.37 FEET; THENCE N.59°29'16"W., 10.00 FEET; THENCE, ALONG THE ARC OF A NON-TANGENT CIRCULAR CURVE CONCAVE TO THE NORTHWEST AND HAVING FOR ITS ELEMENTS A RADIUS OF 40.00 FEET, A CENTRAL ANGLE OF 73°51'40", A CHORD DISTANCE OF 48.07 FEET, A CHORD BEARING OF S.67°26'34"W., AN ARC DISTANCE OF 51.56 FEET; THENCE N.75°37'36"W., 697.98 FEET; THENCE S.14°32'24"W., 110.00 FEET; THENCE N.75°37'36"W., 381.30 FEET TO THE POINT OF BEGINNING.

LESS AND EXCEPT:

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A PARCEL OF LAND LYING IN SECTION 24, TOWNSHIP 47 SOUTH, RANGE 25 EAST, LEE COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID SECTION 24: THENCE NORTH 01°16'04" WEST ALONG THE WEST LINE OF SAID SECTION 24 A DISTANCE OF 54.85 FEET TO AN INTERSECTION WITH THE ARC OF A NON-TANGENT CURVE CONCAVE SOUTHERLY AND WHOSE RADIUS POINT BEARS SOUTH 01°25'11" EAST A DISTANCE OF 2430.45 FEET; THENCE EASTERLY ALONG THE ARC OF SAID NON-TANGENT CURVE THROUGH A CENTRAL ANGLE OF 09°27'07" AN ARC DISTANCE OF 400.94 FEET TO THE NORTHWESTERLY CORNER OF TRACT C-11 OF HAWTHORNE PHASE 1B AS RECORDED IN INSTRUMENT NO. 2006000122125, PUBLIC RECORDS OF LEE COUNTY, FLORIDA; THENCE SOUTH 14°31'13" WEST ALONG SAID WESTERLY LINE A DISTANCE OF 110.00 FEET TO THE SOUTHWESTERLY CORNER OF SAID TRACT C-11; THENCE LEAVING SAID SOUTHWESTERLY CORNER NORTH 75°38'47" WEST A DISTANCE OF 381.30 FEET TO THE POINT OF BEGINNING OF THE PARCEL HEREIN DESCRIBED.

B. PERMITTED ENCUMBRANCES

1. Lee County Ordinances 86-14 and 86-38 providing for mandatory solid waste collection and the imposition of special assessments for said collection services. The special assessments for the current tax year are payable with the ad valorem taxes.
2. Reservation of oil, gas and mineral interests by deed recorded in Deed Book 216, Page 440. As affected by Instrument recorded in Official Records Book Instrument # 2008000252521 and Notice of Interest in Land Pursuant to Florida Statutes 704.05 and Florida Statutes Chapter 412 recorded in Official Records Instrument # 2010000182256. Note: The current record owner of the interest excepted herein has not been determined. (Affects lands in Section 24 only)
3. Conservation Easement to South Florida Water Management District, recorded in Official Records Book 4604, Page 3956.
4. Temporary Access Easement granted by Tex Development Corporation, a Florida corporation to Centex Homes, a Nevada general partnership, dated March 30, 2005 and recorded April 11, 2005 in Official Records Book 4659, Page 2724.
5. Non-exclusive Drainage Easement granted by Tex Development Corporation, a Florida corporation to Centex Homes, a Nevada general partnership, dated March 30, 2005 and recorded April 11, 2005 in Official Records Book 4659, Page 2705.
6. Terms and conditions of that certain Temporary Access Easement granted by Centex Homes, a Nevada general partnership, to Tex Development Corporation, a Florida corporation, recorded April 11, 2005 in Official Records Book 4659, Page 2693.
7. Easements in favor on Lee County, Florida, a political subdivision of the State of Florida contained in Instrument recorded in Official Records Instrument # 2013000025316.
8. Note: South Florida Water Management District Notice of Environmental Resource or Surface Water Management Permit recorded in Official Records Instrument # 2012000030787.

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EXHIBIT C TO SCHEDULE 2016A

Schedule of Basic Lease Payments

Lease Payment Date (June 30)	Basic Lease Payment	Principal Portion	Interest Portion	Remaining Principal
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				

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SERIES 2016A GROUND LEASE

(Series 2016A Facility Site)

THIS SERIES 2016A GROUND LEASE dated as of October 1, 2016, between THE SCHOOL BOARD OF LEE COUNTY, FLORIDA, (the “School Board”) acting as the governing body of the School District of Lee County, Florida (the “District”), as Lessor, and the LEE COUNTY SCHOOL BOARD LEASING CORPORATION (the “Corporation”), a not-for-profit corporation organized and existing under and pursuant to Chapter 617 and Section 1001.453, Florida Statutes, successor in interest to Florida School Boards Association Inc., as Lessee. Capitalized terms used, but not defined, herein shall have the meanings assigned thereto in the hereinafter described Trust Agreement.

W I T N E S S E T H:

WHEREAS, the School Board has the power, under Section 1001.42(2), Florida Statutes, as amended, to receive, purchase, acquire, lease, sell, hold, transmit and convey title to real and personal property for educational purposes, and under Section 1001.42(11), Florida Statutes, as amended, to enter into leases or lease-purchase agreements of grounds and educational facilities, or of educational facilities for school purposes; and

WHEREAS, the Corporation has the authority to acquire educational facilities by lease or deed for the benefit of the School Board; and

WHEREAS, the Corporation is a “private corporation” within the meaning of Section 1001.42(11)(b)5, Florida Statutes, as amended, and is a “direct support organization” within the meaning of Section 1001.453, Florida Statutes, as amended; and

WHEREAS, in order to carry out its powers and authority to acquire facilities and equipment, the School Board and the Corporation have entered into a Master Lease Purchase Agreement dated as of August 15, 1991 (as the same may be amended and supplemented from time to time, the “Master Lease”); and

WHEREAS, the School Board owns or holds a long-term lease on certain real property located in Lee County, Florida and described in **Exhibit A** attached hereto, as the same may be amended from time to time by the addition of parcels of land to be acquired by the School Board in the future pursuant to one or more supplements thereto (which real property, together with all buildings, structures and improvements now or hereafter erected or situated thereon, any easements or other rights or privileges in adjoining property inuring to the fee simple owner or lessee of such land by reason of ownership of such land or a leasehold interest in such land, and all fixtures, additions, alterations or replacements thereto, now or hereafter located in, on or used in connection with or attached or made to such land is hereinafter referred to as a “Series 2016A Facility Site” or, in the case of separate parcels, such parcels are herein collectively referred to as the “Series 2016A Facility Sites”); and

WHEREAS, the School Board desires to lease-purchase a particular educational facility to be located on the Series 2016A Facility Site (the “Series 2016A Facility”), pursuant to

Schedule 2016A to the Master Lease (which schedule, upon being executed and delivered by the School Board and the Corporation, together with the terms and provisions of the Master Lease, constitutes a separate lease, as the same may be amended or supplemented from time to time, the "Series 2016A Lease"); and

WHEREAS, it is possible that a portion of the Series 2016A Facility may be attached to one or more existing structures of the School Board adjacent to the Series 2016A Facility Site; may be dependent upon adjacent property of the School Board for pedestrian and vehicular ingress, egress and access to and from and between the Series 2016A Facility Site and the public roads adjoining the adjacent property of the School Board ("Access"); and may further be dependent upon the School Board's adjacent property for utility and other services which would be necessary for the full use and enjoyment of the Series 2016A Facility Site including, but not limited to, drainage, sewer and water service, electric, telephone and gas service and parking of vehicles (collectively, the "Services"); and

WHEREAS, the Corporation desires to acquire from the School Board, pursuant to this Series 2016A Ground Lease, and the School Board is willing to grant to the Corporation, the right to utilize the adjacent property of the School Board to the extent reasonably necessary for Access and for the Services, and the Corporation and the School Board desire to provide for the structural attachment of the Series 2016A Facility to the adjacent property of the School Board; and

WHEREAS, the School Board has on May 3, 2016, after due notice as required by law, held an open, public meeting on the proposal of entering into this Series 2016A Ground Lease, at which meeting a copy of this Series 2016A Ground Lease in substantially final form was available for inspection and review by the public; and

WHEREAS, provisions for the payment of the cost of acquiring and constructing the Series 2016A Facility have been made by (a) establishing a trust pursuant to the Master Trust Agreement dated as of August 15, 1991, as supplemented by a Series 2016A Supplemental Trust Agreement dated as of October 1, 2016 (as the same may be further amended or supplemented from time to time, the "Trust Agreement"), between the Corporation and U.S. Bank National Association (successor in interest to SunTrust Bank, Central Florida, National Association), as trustee (the "Trustee"), and irrevocably assigning to the Trustee without recourse all of the Corporation's right, title and interest in and to this Series 2016A Ground Lease and the Series 2016A Lease, except for certain rights to indemnification, to receive notices and to hold title to the Series 2016A Facility, (b) directing the Trustee for such trust to execute and deliver the Certificates of Participation, Series 2016A (the "Series 2016A Certificates") evidencing undivided proportionate interests of the Owners thereof in the right to receive Basic Lease Payments to be made by the School Board, as lessee, pursuant to the Series 2016A Lease, and (c) directing the Trustee to hold the proceeds of sale of the Series 2016A Certificates in trust subject to application only to pay the costs of acquisition and construction of the Series 2016A Facility (as defined in the Trust Agreement); and

WHEREAS, each Series 2016A Certificate represents an undivided proportionate interest in the principal portion of the Basic Lease Payments set forth in the Series 2016A Lease

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(ii) The adjacent property of the School Board and the Series 2016A Facility may contain certain elements, features or parts which are structural elements of both the adjacent property of the School Board and the Series 2016A Facility. Such 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 Series 2016A Facility Site or Series 2016A Facility on the one hand or the adjacent property of the School Board on the other hand and which, directly or indirectly, in any way, service the other.

(B) All division walls (hereinafter referred to as "Party Walls") between the Series 2016A Facility and the adjacent property of the School Board upon the common line between the Series 2016A Facility Site and the adjacent property of the School Board (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 a 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 referred to as "Roofing") to the extent interrelated between the Series 2016A Facility and the adjacent property of the School Board. Should the Roofing of any Series 2016A Facility extend beyond the Lot Line, the right therefor is hereby granted and should the Roofing of the adjacent property of the School Board extend beyond the Lot Line onto the Series 2016A Facility Site, the right therefor is hereby reserved.

(D) The entire concrete floor slab or wood floor system if utilized in lieu thereof and all foundational and support structures and appurtenances thereto to the extent interrelated between the Series 2016A Facility and the adjacent property of the School Board (collectively referred to as "Flooring"). Should the Flooring of the Series 2016A Facility extend beyond the Lot Line, the right therefor is hereby granted and should the Flooring of the adjacent property of the School Board extend beyond the Lot Line onto the Series 2016A Facility Site, the right therefor is hereby reserved.

(iii) The Series 2016A Facility Site rights further include the right of the Series 2016A Facility to encroach upon the adjacent property of the School Board as a result of minor inaccuracies in survey, construction or reconstruction or due to settlement or movement. The encroaching Series 2016A Facility shall remain undisturbed for as long as same exist and, for so long as such encroachment exists, that portion of the adjacent property of the School Board on which same exists shall be deemed to be a part of the Series 2016A Facility Site. In addition, the Series 2016A Facility Site rights include the right to utilize that portion of the adjacent property of the School Board as may be reasonably necessary in order to maintain and repair the Series 2016A Facility. The

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due and payable on the maturity date or earlier prepayment date of the Series 2016A Certificates and in the interest portion of the Basic Lease Payments set forth in the Series 2016A Lease due and payable semiannually, to and including such maturity date or earlier prepayment date; and

WHEREAS, the Corporation will assign to the Trustee all of its right, title and interest in and to this Series 2016A Ground Lease, the Series 2016A Lease and the Series 2016A Lease Payments (except for certain indemnification rights and the right of the Corporation to hold title to the Series 2016A Facility and to receive notices), pursuant to the Series 2016A Assignment Agreement dated as of October 1, 2016 (as the same may be amended or supplemented from time to time, the "Series 2016A Assignment Agreement"); and

WHEREAS, the School Board intends for the Series 2016A Lease to remain in full force and effect after the last Lease Payment Date for the Series 2016A Facility until payment in full of the Series 2016A Certificates, unless sooner terminated in accordance with the terms provided therein; and

WHEREAS, the School Board intends for this Series 2016A Ground Lease to remain in full force and effect until the termination of the Lease Term, as provided below.

NOW, THEREFORE, the School Board and the Corporation accordingly hereby covenant and agree as follows:

SECTION 1: Lease of Series 2016A Facility Site. Subject to Permitted Encumbrances (as described in Exhibit A attached hereto and made a part hereof), the School Board hereby demises and leases the Series 2016A Facility Site, more particularly described in Exhibit A, as the same may be amended from time to time pursuant to one or more supplements thereto, to the Corporation, and the Corporation hereby hires, takes and leases the Series 2016A Facility Site from the School Board, for the term, at the rental and on the conditions herein set forth. Such demising and leasing shall include the following rights:

(i) The right to utilize the adjacent property of the School Board for Access and for the Services reasonably necessary to the full use and enjoyment of the Series 2016A Facility Site; provided that the locations on the adjacent property of the School Board utilized for such purposes shall be reasonably agreed upon by the Corporation and the School Board; and provided, further, that the rights shall include, but not necessarily be limited to, the right to utilize for such purposes any portion of the adjacent property of the School Board (e.g., the 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 adjacent property of the School Board, together with the right to "tie-in" or "connect" thereto). If the Lease Term of the Series 2016A Lease terminates prior to the termination of the term of this Series 2016A Ground Lease, the School Board and the Corporation 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 Series 2016A Facility Site.

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Series 2016A Facility Site rights further include cross rights of support and use over, upon, across, under, through and into the common structural elements in favor of the Corporation (and like rights are hereby reserved unto the School Board) for the continued use, benefit and enjoyment and continued support, service, maintenance and repair of all such common structural elements.

The School Board, at its sole expense, shall bring or cause to be brought to the Series 2016A Facility Site adequate connections for water, electrical power, telephone, storm sewerage and sewerage, and shall arrange with the appropriate utility companies for furnishing such services and shall provide to the Series 2016A Facility Site water services and capacity sufficient for the contemplated operation of the Series 2016A Facility thereon; including, but not limited to, heating, ventilation and air conditioning equipment. Either the School Board or the Corporation shall have the right, at its own expense, to request and receive telephone and communication services from the utility companies furnishing such services subject to the customary rules and regulations of said utility companies whether the companies deliver such services directly through their own conduits or pipes, or through conduits and pipes owned by the School Board. The School Board agrees to grant such utility companies rights of access over, under and across the remaining property of the School Board adjoining the Series 2016A Facility Site, if any, as shall be necessary and convenient for the efficient operation of the Series 2016A Facility Site, and which do not materially impair the present and future uses of such remaining property of the School Board, if any.

SECTION 2: Ground Lease Term; Option to Renew. The initial Ground Lease Term for the Series 2016A Facility Site shall commence on the commencement date of the Series 2016A Lease (the "Commencement Date") and shall end on June 30, 2041. If, upon the termination of the Lease Term as a result of non-appropriation or default pursuant to Section 4.1(b) or 4.1(c) of the Master Lease, the Corporation or the Trustee as the assignee of the Corporation excludes the School Board from possession of the Series 2016A Facility Site and Series 2016A Facility, the School Board grants to the Corporation the right and option to renew this Series 2016A Ground Lease for an additional term not to exceed five (5) years, at a fair market rental to be determined, adjusted and paid in the manner set forth in Section 3 of this Series 2016A Ground Lease.

Notwithstanding the foregoing, this Series 2016A Ground Lease may be terminated by the School Board on any date prior to the end of the initial term or any renewal term hereof, which date is at least one (1) day after the date of termination of the Series 2016A Lease, upon not less than ten (10) days prior written notice to the Corporation, (a) upon payment of the Purchase Option Price, pursuant to Section 7.2 of the Master Lease, with respect to the Series 2016A Facility, and full performance and satisfaction of the School Board's obligations under the Series 2016A Lease, or (b) upon the provision for payment of all Lease Payments under the Series 2016A Lease pursuant to Section 7.3 of the Master Lease, together in each case with payment of the sum of \$1.00. This Series 2016A Ground Lease may likewise be modified at the request of the School Board at any time, upon similar notice and modification of the Series 2016A Lease (a) to reflect the substitution of all or a portion of the Series 2016A Facility and Series 2016A Facility Site in accordance with Section 6.4 of the Master Lease or to add additional facilities and facility sites, or (b) upon payment or provision for payment of the

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Purchase Option Price of all or a portion of the Series 2016A Facility pursuant to Section 7.3 of the Master Lease, to reflect the release of one or more portions of the Series 2016A Facility Site from this Series 2016A Ground Lease.

SECTION 3: Rent. (a) So long as the Lease Term has not been terminated as a result of non-appropriation or default pursuant to Section 4.1(b) or 4.1(c) of the Master Lease, the Corporation shall pay to the School Board as and for rental for the Series 2016A Facility Site the sum of one dollar (\$1.00) 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. At the option of the Corporation, the Corporation may prepay all or a portion of the ground rent payable hereunder for the entire initial lease term hereof from the proceeds of sale of the Series 2016A Certificates or otherwise.

(b) From and after the date on which the Lease Term shall have been terminated as a result of non-appropriation or default pursuant to Section 4.1(b) or 4.1(c) of the Master Lease, the Corporation shall pay as and for rental for the Series 2016A Facility Site an amount determined by an M.A.I. appraisal to be the fair market rental for the Series 2016A Facility Site (the "Appraisal"), which Appraisal shall be prepared by an appraiser selected by the Trustee as assignee of the Corporation (the cost of such Appraisal to be paid by the Trustee and reimbursed as provided in Article VI of the Trust Agreement); provided, however, that such fair market rental and the payment thereof shall be subject to the following adjustments and conditions:

(i) if the Lease Term shall have 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 of termination and the next succeeding June 30;

(ii) for each twelve month period beginning on the July 1 next succeeding the date on which such termination occurs 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 2016A Lease during the preceding twelve months prior to such July 1 exceeded the principal and interest portion of Basic Lease Payments under the Series 2016A Lease payable for such preceding twelve months and other amounts described in Section 504 of the Trust Agreement; provided, however, that any portion of such fair market rental not paid in any year due to the provisions of this clause (iii) shall remain due and payable and shall accumulate from year to year and shall be paid in any future year to the extent that moneys received in such year from the exercise of the remedies permitted by the Series 2016A Lease exceed the principal and interest portion of Basic Lease Payments under the Series 2016A Lease

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(e) If the Corporation or any Permitted Transferee holds over or refuses to surrender possession of the Series 2016A Facility Site after expiration or earlier termination of this Series 2016A Ground Lease, the Corporation or any Permitted Transferee shall be a tenant at sufferance and shall pay rent equal to the fair market rental of the Series 2016A Facility Site determined in the manner provided in Section 3(b) hereof.

SECTION 5: Use of Series 2016A Facility Site; Assignments and Subleases. The Corporation may use the Series 2016A Facility Site for any lawful purpose; however, the parties agree that unless the Series 2016A Lease shall have been terminated as a result of non-appropriation or default pursuant to Section 4.1(b) or 4.1(c) of the Master Lease, the Series 2016A Facility Site shall be used solely for educational purposes. Unless the Series 2016A Lease shall have been so terminated, no assignment of this Series 2016A Ground Lease or subletting of the Series 2016A Facility Site may be made except as provided in the Series 2016A Assignment Agreement, the Series 2016A Lease, the Trust Agreement and in any agreement with a Credit Facility Issuer (as defined in the Trust Agreement), if any, without the prior written consent of the School Board. In the event that the Series 2016A Lease shall be terminated pursuant to Section 4.1(b) or 4.1(c) of the Master Lease, then the Corporation's interest in this Series 2016A Ground Lease may be assigned by the Trustee to any third party, including a Credit Facility Issuer (a "Permitted Transferee"), who may alter, modify, add to or delete from the Series 2016A Facility existing from time to time on the Series 2016A Facility Site.

The School Board represents and covenants that the Series 2016A Facility Site is presently zoned to allow government use, and that the School Board shall take no action with respect to zoning or other land use regulation applicable to the Series 2016A Facility Site except as directed by the Corporation. The School Board shall do everything in its power to assist the Corporation in obtaining such building permits, subdivision approvals, or zoning changes or variances as the Corporation may deem necessary or desirable or such other permits, licenses, approvals or other actions which the Corporation deems necessary or desirable in order to enable the Corporation to use the Series 2016A Facility Site for such purposes as the Corporation shall determine, provided, however, that neither the Corporation nor any Permitted Transferee shall use or permit the Series 2016A Facility Site 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.

It is understood that all right, title and interest of the Corporation in and to this Series 2016A Ground Lease is to be irrevocably assigned by the Corporation to the Trustee pursuant to the Series 2016A Assignment Agreement, except that the Corporation shall continue to hold title to the Series 2016A Facility as described in Section 4 hereof and in the Series 2016A Lease. The School Board agrees that upon such assignment the Trustee shall have all of the rights of the Corporation hereunder assigned to the Trustee, notwithstanding any claim, defense, setoff or counterclaim whatsoever (whether arising from a breach of this Series 2016A Ground Lease or otherwise) that the School Board may from time to time have against the Corporation or any person or entity associated or affiliated therewith. The School Board acknowledges that the Trustee is acting on behalf of the holders of the Series 2016A Certificates and any other Certificates representing an undivided proportionate interest in a portion of the Basic Lease

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and other amounts described in Section 504 of the Trust Agreement 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 2016A Lease (1) shall not give rise to any obligation to pay interest on such unpaid fair market rental and (2) shall not constitute a default under this Series 2016A Ground Lease by the Corporation or the Trustee as the assignee of the Corporation.

SECTION 4: Title to Series 2016A Facility Site; Possession. (a) Upon the Commencement Date and throughout the term of this Series 2016A Ground Lease, fee title to the Series 2016A Facility Site shall be in the name of the School Board, subject to Permitted Encumbrances; title to the Series 2016A Facility constructed on the Series 2016A Facility Site shall be in the name of the Corporation and shall remain severed from title to the Series 2016A Facility Site until the earlier of (i) payment in full, or provision for payment, of all Lease Payments under the Series 2016A Lease or payment of the then applicable Purchase Option Price of the Series 2016A Facility, in accordance with Sections 7.2 or 7.3 of the Master Lease and Section 2 hereof, or (ii) the end of the term of this Series 2016A Ground Lease.

(b) The Corporation shall at all times during the term of this Series 2016A Ground Lease have a leasehold estate in the Series 2016A Facility Site with full right to vest the use, enjoyment and possession of such leasehold estate therein in a Permitted Transferee (as defined herein).

(c) Possession and use of the Series 2016A Facility Site, together with all improvements thereon, shall, upon the last day of the term of this Series 2016A Ground Lease or earlier termination of this Series 2016A Ground Lease pursuant to Section 2 hereof, automatically revert to the School 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 Series 2016A Ground Lease, the Corporation shall peacefully and quietly surrender to the School Board the Series 2016A Facility Site together with any improvements located in or upon the Series 2016A Facility Site. Upon such surrender of the Series 2016A Facility Site, the Corporation or any Permitted Transferee, at the reasonable request of the School Board, shall execute an instrument in recordable form evidencing such surrender and shall deliver to the School Board all books, records, construction plans, surveys, permits and other documents relating to, and necessary or convenient for, the operation of the Series 2016A Facility Site in the possession of the Corporation or any Permitted Transferee.

(d) Any personal property of the Corporation, any Permitted Transferee or any Person which shall remain on the Series 2016A Facility Site after expiration or earlier termination of the term of this Series 2016A Ground Lease and for thirty (30) days after request by the School Board for removal, shall, at the option of the School Board, be deemed to have been abandoned and may be retained by the School Board and the same may be disposed of, without accountability, in such manner as the School Board may see fit.

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Payments payable under the Series 2016A Lease, and may, under certain circumstances assign this Series 2016A Ground Lease to a Permitted Transferee.

Notwithstanding anything to the contrary herein or in any exhibit, instrument, document or paper relating to this Series 2016A Ground Lease or any of the transactions contemplated hereby, the parties hereto acknowledge and agree that upon the assignment by the Corporation of its rights hereunder to the Trustee pursuant to the Series 2016A Assignment Agreement, the Corporation shall have no further obligation, liability or responsibility hereunder and no party hereto nor its 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 6: Right of Entry. Unless the Series 2016A Lease shall have been terminated as a result of non-appropriation or default pursuant to Section 4.1(b) or 4.1(c) of the Master Lease, the School Board shall have the right for any of its duly authorized representatives to enter upon the Series 2016A Facility Site at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

SECTION 7: Default. In the event the Corporation shall be in default in the performance of any obligation on its part to be performed under the terms of this Series 2016A Ground Lease, which default continues for sixty (60) days following notice and demand for correction thereof to the Corporation, the School Board may exercise any and all remedies granted by law; provided, however, that so long as any Certificates representing an undivided proportionate interest in a portion of the Basic Lease Payments payable under the Series 2016A Lease are outstanding and except as provided in Section 2 herein, this Series 2016A Ground Lease shall not be terminated. The School Board shall have recourse solely against the leasehold estate of the Corporation in the Series 2016A Facility Site, and any proceeds thereof, for the payment of any liabilities of the Corporation hereunder. The rights of the School Board under this Section 7 shall be subordinate in all respects to the rights of the holders of the Series 2016A Certificates.

SECTION 8: Quiet Enjoyment. The Corporation at all times during the term of this Series 2016A Ground Lease shall peacefully and quietly have, hold and enjoy the Series 2016A Facility Site, without hindrance or molestation subject to the provisions hereof and of the Series 2016A Lease, the Series 2016A Assignment Agreement and the Trust Agreement.

SECTION 9: Liens. Unless the Series 2016A Lease shall have been terminated as a result of non-appropriation or default pursuant to Section 4.1(b) or 4.1(c) of the Master Lease, neither the School Board nor the Corporation shall, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to such Series 2016A Facility Site, other than Permitted Encumbrances. The School Board shall reimburse the Trustee for any expense incurred by the Trustee in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim. Upon termination of the Series 2016A Lease as provided above, the Corporation, the Trustee and any Permitted Transferee may enter into a mortgage or other encumbrance of its leasehold estate in the Series 2016A Facility Site, provided, however, that the School Board's title to the Series 2016A Facility Site shall not

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be subject to or encumbered by any such mortgage or other encumbrance, including without limitation any mechanic's or materialman's liens.

SECTION 10: 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 Ground Lease Term acquire title to the Series 2016A Facility Site:

(a) So long as the Series 2016A Lease is in effect, the Net Proceeds resulting therefrom shall be applied pursuant to the Master Lease.

(b) After the end of the Lease Term of the Series 2016A Lease, (i) if such person acquires title to such a substantial portion of the Series 2016A Facility Site that the Corporation determines that it cannot economically make use of the residue thereof for the lawful purposes intended or permitted by this Series 2016A Ground Lease, such acquisition of title or payment of such claim shall terminate the Ground Lease Term, effective as of the date on which the condemning party takes possession thereof or on the date of payment of such claim, as applicable, and the Net Proceeds resulting therefrom shall be paid to the School Board and the Corporation, as their respective interests may appear; and (ii) if such person acquires title to a portion of the Series 2016A Facility Site such that the Corporation determines that it can economically make beneficial use of the residue thereof for the purposes intended by this Series 2016A Ground Lease, then this Series 2016A Ground Lease shall continue in full force and effect and the Net Proceeds resulting therefrom shall be paid to the School Board and the Corporation, as their respective interests appear.

(c) Any taking of any portion of the Series 2016A Facility Site shall be deemed substantial hereunder.

(d) It is understood that the foregoing provisions of this Section 10 shall not in any way restrict the right of the School Board or the Corporation to appeal the award made by any court or other public agency in any condemnation proceeding.

SECTION 11: Estoppel Certificates. The School Board, at any time and from time to time, upon not less than thirty (30) days prior written notice from the Corporation, will execute, acknowledge and deliver to the Corporation, or to whomsoever it may direct, a certificate of the School Board certifying that this Series 2016A Ground Lease is unmodified (or, if there have been any modifications, identifying the same), that this Series 2016A Ground Lease is in full force and effect 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 any Person.

SECTION 12: Amendments. Other than amendments in connection with the acquisition of the Series 2016A Facility Site, no amendment may be made to this Series 2016A Ground Lease without the prior written consent of the Trustee, the Holder of the Series 2016A Certificates and each Credit Facility Issuer securing a Series of Certificates representing an undivided proportionate interest in a portion of the Basic Lease Payments payable under the Series 2016A Lease. In the event that there is no Credit Facility Issuer, except as otherwise provided herein, the consent of the Holder of the Series 2016A Certificates and the Holders of at least a majority in principal amount of any other Outstanding Certificates who are affected by

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SECTION 16: Severability. In the event any provision of this Series 2016A Ground Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 17: Applicable Law. This Series 2016A Ground Lease shall be governed by and construed in accordance with the laws of the State of Florida.

SECTION 18: Execution in Counterparts. This Series 2016A Ground Lease may be executed in several counterparts, each of which shall be an original and all of which constitute but one and the same instrument.

SECTION 19: Memorandum of Lease. Simultaneously with the execution of this Series 2016A Ground Lease, the School Board and the Corporation shall each execute, acknowledge and deliver a Memorandum of Lease with respect to this Series 2016A Ground Lease. Said Memorandum of Lease shall not in any circumstances be deemed to change or otherwise to affect any of the obligations or provisions of this Series 2016A Ground Lease. Upon the modification of this Series 2016A Ground Lease as provided in Section 2 hereof, the Memorandum of Lease shall be appropriately amended.

SECTION 20: No Personal Liability. No covenant or agreement contained in this Series 2016A Ground Lease shall be deemed to be the covenant or agreement of any member of the School Board or the Corporation or any officer, employee or agent of the School Board or the Corporation, or of any successor thereto, in an individual capacity, and neither the members of the School Board or the Corporation executing this Series 2016A Ground Lease nor any officer, employee, agent of the School Board or the Corporation shall be personally liable or accountable by reason of the execution or delivery hereof.

SECTION 21: Third Party Beneficiary. Each Credit Facility Issuer, if any, securing a Series of Certificates representing an undivided proportionate interest in a portion of the Basic Lease Payments payable under the Series 2016A Lease shall be deemed to be a third party beneficiary of this Series 2016A Ground Lease.

SECTION 22: Radon. Pursuant to Section 404.056, Florida Statutes, the following notification is hereby given: "RADON GAS: Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit."

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such amendment shall be required. Notwithstanding the foregoing, this Series 2016A Ground Lease may be amended without the prior written consent of the Trustee and the Credit Facility Issuer, if any, or the consent of the Holders of Certificates if the purpose for such amendment does not require consent pursuant to Section 9.4 of the Series 2016A Lease. Copies of all amendments hereto shall be provided to each Rating Agency, whether effected pursuant to Section 702 or Section 703 of the Trust Agreement.

SECTION 13: Binding Effect. This Series 2016A Ground Lease shall inure to the benefit of and shall be binding upon the Corporation and the School Board and their respective successors and assigns, provided, however, that the Trustee is entitled to the benefits of the provisions hereof.

SECTION 14: No Merger of Leasehold Estate. There shall be no merger of this Series 2016A Ground Lease or of the leasehold estate hereby created with the fee estate in the Series 2016A Facility Site by reason of the fact that, through the exercise of remedies hereunder or otherwise, the same person may acquire or hold, directly or indirectly, this Series 2016A Ground Lease or leasehold estate hereby created or any interest herein or therein, and the fee estate in the Series 2016A Facility Site or any interest in such fee estate. There shall be no merger of this Series 2016A Ground Lease with the Series 2016A Lease by reason of the fact that the School Board is the owner of the fee title to the Series 2016A Facility Site and the leasehold estate in the Series 2016A Facility created under the Series 2016A Lease or by reason of the fact that the Corporation is the owner of the leasehold estate in the Series 2016A Facility Site created hereby and is the owner of the fee title in the Series 2016A Facility as provided in the Series 2016A Lease.

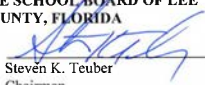
SECTION 15: Notices. All notices, certificates, requests or other communications hereunder shall be in writing and shall be sufficiently given and shall be deemed given when delivered or mailed by certified mail, postage prepaid to the following addresses, or to such other address or addresses as shall be designated by the parties in writing:

Corporation:	2855 Colonial Blvd Fort Myers, FL 33966 Attention: Kelly Letcher Director of Business Services
School Board:	2855 Colonial Blvd Fort Myers, FL 33966 Attention: Kelly Letcher Director of Business Services
With copies to Trustee:	U.S. Bank National Association 225 E. Robinson Street Suite 250 Orlando, Florida 32801 Attention: Corporate Trust Department

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IN WITNESS WHEREOF, the Corporation has caused this Series 2016A Ground Lease to be executed in its corporate name and its corporate seal to be hereunto affixed and attested by its duly authorized officers and the School Board has caused this Series 2016A Ground Lease to be executed in its name and its seal to be hereunto affixed by its duly authorized officials, all as of the date first above written.

THE SCHOOL BOARD OF LEE COUNTY, FLORIDA

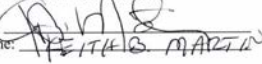
By: 
Steven K. Teuber
Chairman

[SEAL]

Attest:

By: 
Gregory K. Adkins, Ed. D., Secretary

Witnessed as to Both Parties:

By: 
Name: KEITH B. MARTIN

LEE COUNTY SCHOOL BOARD LEASING CORPORATION, successor in interest to Florida School Boards Association Inc.


By: 
Steven K. Teuber
President

[SEAL]

Attest:

By: 
Gregory K. Adkins, Ed. D., Secretary

Witnessed as to Both Parties:

By: 
Name: KEITH B. MARTIN

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STATE OF FLORIDA)
) SS:
COUNTY OF LEE)

The undersigned, a Notary Public in and for the said County in the State aforesaid, do hereby certify that Steven K. Teuber and Gregory K. Adkins, Ed. D. personally known to me to be the same persons whose names are, respectively, as Chairman and Secretary, respectively of THE SCHOOL BOARD OF LEE COUNTY, FLORIDA, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said School Board, and delivered the said instrument as the free and voluntary act of said School Board and as their own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 10th day of October, 2016.

NOTARY PUBLIC
SEAL OF OFFICE:



Amy E. Watkins
NOTARY PUBLIC, STATE OF FLORIDA

(Name of Notary Public, Print, Stamp or Type as Commissioned.)

- Personally known to me, or
 Produced identification

(Type of Identification Produced)

STATE OF FLORIDA)
) SS:
COUNTY OF LEE)

The undersigned, a Notary Public in and for the said County in the State aforesaid, do hereby certify that Steven K. Teuber and Gregory K. Adkins, Ed. D. personally known to me to be the same persons whose names are, respectively, as President and Secretary, respectively of LEE COUNTY SCHOOL BOARD LEASING CORPORATION, a Florida not-for-profit corporation, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said corporation, and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 10th day of October, 2016.

NOTARY PUBLIC
SEAL OF OFFICE:



Amy E. Watkins
NOTARY PUBLIC, STATE OF FLORIDA

(Name of Notary Public, Print, Stamp or Type as Commissioned.)

- Personally known to me, or
 Produced identification

(Type of Identification Produced)

EXHIBIT A
SERIES 2016A FACILITY SITE

A. DESCRIPTION OF REAL ESTATE

A PORTION OF SECTIONS 23 AND 24, TOWNSHIP 47 SOUTH, RANGE 25 EAST, LEE COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGIN AT THE SOUTHWEST CORNER OF THE AFOREMENTIONED SECTION 24; THENCE, ALONG THE WEST LINE OF THE SOUTHWEST ONE-QUARTER OF SAID SECTION 24, N. 01°15'53"W., 2,426.50 FEET TO A CONCRETE MONUMENT; THENCE ALONG THE SOUTH LINE OF THE SOUTH ONE-HALF OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE-QUARTER OF THE NORTHEAST ONE-QUARTER, S.85°50'32"W., 1378.87 FEET; THENCE ALONG THE WEST LINE OF THE SOUTH ONE-HALF OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE-QUARTER OF THE NORTHEAST ONE-QUARTER, N.01°39'38"W., 312.45 FEET; THENCE ALONG THE NORTH LINE OF THE SOUTH ONE-HALF OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE-QUARTER OF THE NORTHEAST ONE-QUARTER, N.86°12'34"E., 1372.11 FEET; THENCE, ALONG THE WEST LINE OF THE NORTHWEST ONE-QUARTER OF THE AFOREMENTIONED SECTION 24, N.02°52'06"W., 507.12 FEET; THENCE, ALONG THE WESTERLY LINE OF THE PROPOSED THREE OAKS PARKWAY FOR THE FOLLOWING THREE (3) COURSES:

1. ALONG ARC OF A NON-TANGENT CIRCULAR CURVE CONCAVE TO THE NORTHEAST AND HAVING FOR ITS ELEMENTS A RADIUS OF 6,007.66 FEET, A CENTRAL ANGLE OF 08°59'57", A CHORD DISTANCE OF 942.63 FEET, A CHORD BEARING OF S.32°04'05"E., AN ARC DISTANCE OF 943.60 FEET;

2. S.36°34'04"E., 1087.15 FEET;

3. ALONG THE ARC OF A TANGENT CIRCULAR CURVE CONCAVE TO THE WEST HAVING FOR IT ELEMENTS A RADIUS OF 1,525.00 FEET, A CENTRAL ANGLE OF 67°04'48" A CHORD DISTANCE OF 1,685.18 FEET, A CHORD BEARING OF S.03°01'40"E., AN ARC DISTANCE OF 1,785.42 FEET;

THENCE S.30°30'44"W., 33.37 FEET; THENCE N.59°29'16"W., 10.00 FEET; THENCE, ALONG THE ARC OF A NON-TANGENT CIRCULAR CURVE CONCAVE TO THE NORTHWEST AND HAVING FOR ITS ELEMENTS A RADIUS OF 40.00 FEET, A CENTRAL ANGLE OF 73°51'40", A CHORD DISTANCE OF 48.07 FEET, A CHORD BEARING OF S.67°26'34"W., AN ARC DISTANCE OF 51.56 FEET; THENCE

N.75°37'36"W., 697.98 FEET; THENCE S.14°32'24"W., 110.00 FEET; THENCE N.75°37'36"W., 381.30 FEET TO THE POINT OF BEGINNING.

LESS AND EXCEPT:

A PARCEL OF LAND LYING IN SECTION 24, TOWNSHIP 47 SOUTH, RANGE 25 EAST, LEE COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID SECTION 24: THENCE NORTH 01°16'04" WEST ALONG THE WEST LINE OF SAID SECTION 24 A DISTANCE OF 54.85 FEET TO AN INTERSECTION WITH THE ARC OF A NON-TANGENT CURVE CONCAVE SOUTHERLY AND WHOSE RADIUS POINT BEARS SOUTH 01°25'11" EAST A DISTANCE OF 2430.45 FEET; THENCE EASTERLY ALONG THE ARC OF SAID NON-TANGENT CURVE THROUGH A CENTRAL ANGLE OF 09°27'07" AN ARC DISTANCE OF 400.94 FEET TO THE NORTHWESTERLY CORNER OF TRACT C-11 OF HAWTHORNE PHASE 1B AS RECORDED IN INSTRUMENT NO. 2006000122125, PUBLIC RECORDS OF LEE COUNTY, FLORIDA; THENCE SOUTH 14°31'13" WEST ALONG SAID WESTERLY LINE A DISTANCE OF 110.00 FEET TO THE SOUTHWESTERLY CORNER OF SAID TRACT C-11; THENCE LEAVING SAID SOUTHWESTERLY CORNER NORTH 75°38'47" WEST A DISTANCE OF 381.30 FEET TO THE POINT OF BEGINNING OF THE PARCEL HEREIN DESCRIBED.

B. PERMITTED ENCUMBRANCES

1. Lee County Ordinances 86-14 and 86-38 providing for mandatory solid waste collection and the imposition of special assessments for said collection services. The special assessments for the current tax year are payable with the ad valorem taxes.
2. Reservation of oil, gas and mineral interests by deed recorded in Deed Book 216, Page 440. As affected by Instrument recorded in Official Records Book Instrument # 2008000252521 and Notice of Interest in Land Pursuant to Florida Statutes 704.05 and Florida Statutes Chapter 412 recorded in Official Records Instrument # 2010000182256. Note: The current record owner of the interest excepted herein has not been determined. (Affects lands in Section 24 only)
3. Conservation Easement to South Florida Water Management District, recorded in Official Records Book 4604, Page 3956.
4. Temporary Access Easement granted by Tex Development Corporation, a Florida corporation to Centex Homes, a Nevada general partnership, dated March 30, 2005 and recorded April 11, 2005 in Official Records Book 4659, Page 2724.
5. Non-exclusive Drainage Easement granted by Tex Development Corporation, a Florida corporation to Centex Homes, a Nevada general partnership, dated March 30, 2005 and recorded April 11, 2005 in Official Records Book 4659, Page 2705.
6. Terms and conditions of that certain Temporary Access Easement granted by Centex Homes, a Nevada general partnership, to Tex Development Corporation, a Florida corporation, recorded April 11, 2005 in Official Records Book 4659, Page 2693.
7. Easements in favor on Lee County, Florida, a political subdivision of the State of Florida contained in Instrument recorded in Official Records Instrument # 2013000025316.
8. Note: South Florida Water Management District Notice of Environmental Resource or Surface Water Management Permit recorded in Official Records Instrument # 2012000030787.

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This instrument was prepared by and when
recorded should be returned to:

Robert C. Gang, Esq.
Greenberg Traurig, P.A.
333 Avenue of the Americas
Suite 4400
Miami, Florida 33131

(This space reserved for Clerk)

**SERIES 2016A
ASSIGNMENT AGREEMENT**

BETWEEN

**LEE COUNTY SCHOOL BOARD LEASING CORPORATION,
(successor in interest to Florida School Boards Association Inc.)**

AND

**U.S. BANK NATIONAL ASSOCIATION,
(successor in interest to SunTrust Bank, Central Florida, National Association)
As Trustee**

Dated as of October 1, 2016

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**SERIES 2016A
ASSIGNMENT AGREEMENT**

THIS SERIES 2016A ASSIGNMENT AGREEMENT (this "Agreement"), made and entered into as of October 1, 2016, by and between the LEE COUNTY SCHOOL BOARD LEASING CORPORATION, a not-for-profit corporation organized under the laws of the State of Florida (the "Corporation"), successor in interest to Florida School Boards Association Inc., and U.S. BANK NATIONAL ASSOCIATION (successor in interest to SunTrust Bank, Central Florida, National Association), a national banking association with its designated corporate trust office in Fort Lauderdale, Florida, as trustee (the "Trustee");

WITNESSETH THAT, in the joint and mutual exercise of their powers, and in consideration of \$10.00 and other good and valuable consideration and the mutual covenants herein contained, the parties hereto recite and agree as follows:

Section 1. Recitals.

1.01 The School Board of Lee County, Florida (the "School Board"), and the Corporation have entered into a Master Lease Purchase Agreement dated as of August 15, 1991 (as the same may be amended or supplemented from time to time, the "Master Lease"), and have executed Schedule 2016A to the Master Lease, dated as of October 1, 2016, which Master Lease together with each separate schedule constitutes a separate lease (the "Series 2016A Lease"), with respect to certain educational facilities, equipment and sites being financed, and have entered into a Series 2016A Ground Lease dated as of October 1, 2016 (as the same may be amended or supplemented from time to time, the "Series 2016A Ground Lease") with respect to the Series 2016A Facility Site (hereinafter defined).

1.02 Pursuant to the Series 2016A Lease, the School Board and the Corporation have agreed that there shall be acquired, constructed, installed and equipped for lease-purchase to the School Board a certain educational facility and site as described in Schedule 2016A to the Master Lease (the "Series 2016A Facility"), such facility being located on certain lands described in Exhibit A hereto (which, together with the improvements thereon are hereinafter collectively referred to as the "Series 2016A Facility Site"). Schedule 2016A sets forth Lease Payments (the "Series 2016A Lease Payments") to be paid by the School Board for the Series 2016A Facility. The School Board has agreed to lease-purchase the Series 2016A Facility from the Corporation.

1.03 The Corporation and the Trustee have entered into a Master Trust Agreement dated as of August 15, 1991, as supplemented by a Series 2016A Supplemental Trust Agreement dated as of October 1, 2016 (as the same may be further amended or supplemented from time to time, the "Trust Agreement"), which acknowledges and contemplates the execution of this Agreement in conjunction therewith. This Agreement is made for the purpose of enabling the Trustee to act as lessor under the Series 2016A Lease.

1.04 The Corporation desires to sell, assign and convey all of its right, title and interest as lessee of the Series 2016A Facility Site under the Series 2016A Ground Lease, and as sublessor of the Series 2016A Facility Site and lessor of the Series 2016A Facility under the Series 2016A Lease (except for its right to indemnification under Section 5.7 of the Master Lease, its right to hold title to the Series 2016A Facility under Section 6.1 of the Master Lease and Section 4 of the Series 2016A Ground Lease, and its right to receive notices under the Master Lease), to the Trustee for the benefit of the holders of the Series 2016A Certificates and any other Certificates representing an undivided proportionate interest in a portion of the Basic Lease Payments payable under the Series 2016A Lease to be issued under the Trust Agreement.

1.05 The Trustee is willing to accept this assignment on the terms and conditions hereinafter provided.

1.06 Each of the parties has authority to enter into this Agreement and has taken all actions necessary to authorize its execution by the officers signing it.

All terms capitalized but not defined herein shall have the meanings given to them in the Trust Agreement and the Series 2016A Lease.

Section 2. Assignment.

2.01 The Corporation hereby absolutely and unconditionally sells, assigns and conveys to the Trustee, without recourse, for the benefit of all of the holders of the Series 2016A Certificates and any other Certificates representing an undivided proportionate interest in a portion of the Basic Lease Payments payable under the Series 2016A Lease, all of its right, title and interest under the Series 2016A Ground Lease and the Series 2016A Lease (except for its right to indemnification under Section 5.7 of the Master Lease, its right to hold title to the Series 2016A Facility under Section 6.1 of the Master Lease and Section 4 of the Series 2016A Ground Lease, and its rights to receive notices under the Master Lease), including, without limitation, all Series 2016A Lease Payments and other amounts required to be paid by the School Board under the Series 2016A Lease. Said assignment is absolute and unconditional and the Corporation shall have no right to receive or recover the right, title and interest herein assigned. Said assignment is not given as additional security and is not intended to be nor shall it be construed to be a mortgage, or other security agreement of any nature whatsoever, and the Corporation will hereafter have no further right or interest or claims in and to the right, title and interest herein assigned, or any part thereof, or the interest or profits and other proceeds that may be derived therefrom of any kind whatsoever. Accordingly, upon execution of this Agreement, the Corporation shall deliver to the Trustee executed counterparts of the Series 2016A Ground Lease and the Series 2016A Lease. Delivery to the Trustee of such documents shall make the sale, assignment and conveyance of the Series 2016A Ground Lease and the Series 2016A Lease herein made, complete and effective for all purposes. Title to the Series 2016A Facility Site shall remain vested in the School Board throughout its Lease Term and title to the Series 2016A Facility shall remain vested in the Corporation throughout its Lease Term; provided, however, that upon termination of the Lease Term as a result of nonappropriation or default pursuant to Section 4.1(b) or 4.1(c) of the Master Lease, the Corporation shall, upon request of the Trustee, transfer title to such Series 2016A Facility to the Trustee, or to any Permitted Transferee

designated by the Trustee.

2.02 With respect to the sale, assignment and conveyance of the rights and interests contemplated hereunder to the Trustee, the Corporation represents, warrants and covenants to and with the Trustee and the holders of the Series 2016A Certificates and any other Certificates representing an undivided proportionate interest in a portion of the Basic Lease Payments payable under the Series 2016A Lease that, upon the date of execution of this Agreement and the effective date of the sale, assignment and conveyance of the Corporation's rights under the Series 2016A Ground Lease and the Series 2016A Lease, the facts stated below are and will be true and correct:

A. 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, and is qualified wherever necessary to perform its obligations under the Series 2016A Ground Lease, the Series 2016A Lease, the Trust Agreement and this Agreement.

B. The Corporation has full power, authority and legal right to enter into and perform its obligations under the Series 2016A Ground Lease, the Series 2016A Lease, the Trust Agreement and this Agreement; the execution, delivery and performance of the Series 2016A Ground Lease, the Series 2016A Lease, the Trust Agreement and this Agreement by the Corporation have been duly authorized by all necessary corporate actions on the part of the Corporation, and all required approvals and consents have heretofore been duly obtained; and the Series 2016A Ground Lease, the Series 2016A Lease, this Agreement and the Trust Agreement are in full force and effect.

C. The execution, delivery and performance of the Series 2016A Ground Lease, the Series 2016A Lease, the Trust Agreement and this Agreement do not contravene any provision of the 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 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.

D. The Series 2016A Ground Lease, the Series 2016A Lease, this Agreement and the Trust Agreement are in full force and effect and the Corporation is not in default thereunder; the Series 2016A Ground Lease, the Series 2016A Lease, this Agreement and the Trust 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, reorganization, moratorium and creditors' rights generally, and to principles of equity in the event that equitable remedies are sought.

E. The Series 2016A Ground Lease and the Series 2016A Lease delivered to

the Trustee are duly executed duplicate originals and, together with all Exhibits thereto, comprise the entire writing, obligation and agreement between the Corporation and School Board respecting the Series 2016A Facility Site and the Series 2016A Facility.

F. The Corporation has complied and will at all times hereafter comply with and duly perform its obligations under the Series 2016A Ground Lease, the Series 2016A Lease, the Trust Agreement and this Agreement.

G. Except as disclosed in an opinion of counsel to the Corporation, 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 Series 2016A Ground Lease, the Series 2016A Lease, the Trust Agreement or this Agreement.

H. The Series 2016A Ground Lease and the Series 2016A Lease being herein assigned are free and clear of all claims, liens, security interests and encumbrances arising through any act or omission of the Corporation or any person claiming by, through or under it, except the rights of the School Board under the Series 2016A Lease and the Series 2016A Ground Lease, including the fact that fee title to the Series 2016A Facility Site is vested in the School Board.

2.03 Except as otherwise set forth in Section 2.01, from and after the date of delivery to the Trustee of this Agreement, the Corporation shall have no further rights or interest under the Series 2016A Ground Lease or the Series 2016A Lease or in any Series 2016A Lease Payments or other moneys due with respect thereto or to become due under the Series 2016A Lease.

2.04 The Corporation agrees to execute and deliver to the Trustee upon request by the Trustee, any documents deemed necessary by the Trustee to further evidence or perfect the assignment and conveyance herein made with respect to the Series 2016A Ground Lease and the Series 2016A Lease.

2.05 The Corporation hereby irrevocably constitutes and appoints the Trustee, its successors and assigns, as its lawful attorney, with full power of substitution and substitution, to collect and to sue on behalf of the Corporation in the name of the Corporation or otherwise in any court for any Series 2016A Lease Payment or other amounts due under the Series 2016A Lease, or any part thereof, to withdraw or settle any claims, suits or proceedings pertaining to or arising out of the Series 2016A Lease 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 Series 2016A Lease Payments or other amounts due under the Series 2016A Lease.

2.06 The Corporation agrees that it will authorize and direct the School Board to pay to the Trustee, its successors and assigns, all Series 2016A Lease Payments and all other amounts coming due under the Series 2016A Lease.

Section 4. Non-Recourse.

4.01 The assignment contained in this Agreement is agreed to be non-recourse with respect to the Corporation and the Corporation shall have no liability to the Trustee, or any Certificate holders hereunder with respect to the occurrence of any event of default by the School Board under the Series 2016A Lease whether such default consists of failure to pay moneys, breach of covenant or otherwise; provided, however, that nothing contained in this Section 4 shall excuse the Corporation from performance of its obligations under Section 2.04 through 2.08 hereof.

All covenants, stipulations, promises, agreements and obligations of the parties hereto contained in this 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 Agreement against any member, officer, employee or agent of the parties hereto.

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2.07 Upon request of the Trustee, the Corporation agrees to cooperate in the Trustee's efforts to collect and cause to be remitted to the Trustee any Series 2016A Lease Payment or other amount.

2.08 In the event the Corporation receives notice from the School Board that it will exercise its option under Section 7.2 of the Master Lease to prepay the Series 2016A Lease Payments to become due thereunder or that the Series 2016A Lease will not be renewed as a result of any event of non-appropriation under the Series 2016A Lease, the Corporation shall notify the Trustee of this fact in writing no later than five Business Days after such receipt provided, however, that failure to provide such notice shall not create any liability on the part of the Corporation.

Section 3. Administrative Provisions.

3.01 This Agreement shall be construed and governed in accordance with the laws of the State of Florida.

3.02 Any provision of this Agreement found to be prohibited by applicable laws shall be ineffective only to the extent of such prohibition, and shall not invalidate the remainder of this Agreement.

3.03 This Agreement may not be amended without the prior written consent of each Credit Facility Issuer securing a Series of Certificates representing an undivided proportionate interest in a portion of the Basic Lease Payments payable under the Series 2016A Lease. In the event that there is no Credit Facility Issuer, the consent of the Holder of, or in the case of multiple Holders, the consent of the Holders of at least a majority in principal amount of the Series 2016A Certificates, and the Holders of at least a majority in principal amount of any other Certificates Outstanding who are affected by such amendment shall be required. Copies of all amendments hereto shall be provided to the Trustee, the Holder or Holders of the Series 2016A Certificates and each Credit Facility Issuer securing a Series of Certificates representing an undivided proportionate interest in a portion of the Basic Lease Payments payable under the Series 2016A Lease.

3.04 This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.


3.05 This 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 Agreement.


IN WITNESS WHEREOF, the parties hereto have executed this Series 2016A Assignment Agreement as of the day and year first written above.

[SEAL]

ATTEST:

By: 
Gregory K. Adkins, Ed. D.
Secretary

LEE COUNTY SCHOOL BOARD LEASING CORPORATION, successor in interest to Florida School Boards Association Inc.
By: 
Steven K. Teuber
President

U.S. BANK NATIONAL ASSOCIATION, as Trustee
By: 
Leanne M. Duffy
Vice President

STATE OF FLORIDA)
) SS:
COUNTY OF LEE)

The undersigned, a Notary Public in and for the said County in the State aforesaid, do hereby certify that Steven K. Teuber and Gregory K. Adkins, personally known to me to be the same persons whose names are, respectively, as President and Secretary, respectively of LEE COUNTY SCHOOL BOARD LEASING CORPORATION, a Florida not-for-profit corporation, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said corporation, and delivered said instrument as the free and voluntary act of said corporation and as their own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 10th day of October, 2016.

Amy E. Watkins

NOTARY PUBLIC, STATE OF FLORIDA

NOTARY PUBLIC
SEAL OF OFFICE:



(Name of Notary Public, Print,
Stamp or Type as Commissioned.)

Personally known to me, or
 Produced identification

(Type of Identification Produced)

EXHIBIT A

DESCRIPTION OF REAL ESTATE
(SERIES 2016A FACILITY SITE)

A PORTION OF SECTIONS 23 AND 24, TOWNSHIP 47 SOUTH, RANGE 25 EAST, LEE COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGIN AT THE SOUTHWEST CORNER OF THE AFOREMENTIONED SECTION 24; THENCE, ALONG THE WEST LINE OF THE SOUTHWEST ONE-QUARTER OF SAID SECTION 24, N. 01°15'53"W., 2,426.50 FEET TO A CONCRETE MONUMENT; THENCE ALONG THE SOUTH LINE OF THE SOUTH ONE-HALF OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE-QUARTER OF THE NORTHEAST ONE-QUARTER, S.85°50'32"W., 1378.87 FEET; THENCE ALONG THE WEST LINE OF THE SOUTH ONE-HALF OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE-QUARTER OF THE NORTHEAST ONE-QUARTER, N.01°39'38"W., 312.45 FEET; THENCE ALONG THE NORTH LINE OF THE SOUTH ONE-HALF OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE-QUARTER OF THE NORTHEAST ONE-QUARTER, N.86°12'34"E., 1372.11 FEET; THENCE, ALONG THE WEST LINE OF THE NORTHWEST ONE-QUARTER OF THE AFOREMENTIONED SECTION 24, N.02°52'06"W., 507.12 FEET; THENCE, ALONG THE WESTERLY LINE OF THE PROPOSED THREE OAKS PARKWAY FOR THE FOLLOWING THREE (3) COURSES:

1. ALONG ARC OF A NON-TANGENT CIRCULAR CURVE CONCAVE TO THE NORTHEAST AND HAVING FOR ITS ELEMENTS A RADIUS OF 6,007.66 FEET, A CENTRAL ANGLE OF 08°59'57", A CHORD DISTANCE OF 942.63 FEET, A CHORD BEARING OF S.32°04'05"E., AN ARC DISTANCE OF 943.60 FEET;
2. S.36°34'04"E., 1087.15 FEET;
3. ALONG THE ARC OF A TANGENT CIRCULAR CURVE CONCAVE TO THE WEST HAVING FOR IT ELEMENTS A RADIUS OF 1,525.00 FEET, A CENTRAL ANGLE OF 67°04'48" A CHORD DISTANCE OF 1,685.18 FEET, A CHORD BEARING OF S.03°01'40"E., AN ARC DISTANCE OF 1,785.42 FEET;

THENCE S.30°30'44"W., 33.37 FEET; THENCE N.59°29'16"W., 10.00 FEET; THENCE, ALONG THE ARC OF A NON-TANGENT CIRCULAR CURVE CONCAVE TO THE NORTHWEST AND HAVING FOR ITS ELEMENTS A RADIUS OF 40.00 FEET, A CENTRAL ANGLE OF 73°51'40", A CHORD DISTANCE OF 48.07 FEET, A CHORD BEARING OF S.67°26'34"W., AN ARC DISTANCE OF 51.56 FEET; THENCE N.75°37'36"W., 697.98 FEET; THENCE S.14°32'24"W., 110.00 FEET; THENCE N.75°37'36"W., 381.30 FEET TO THE POINT OF BEGINNING.

STATE OF FLORIDA)
) SS:
COUNTY OF LEE)

The undersigned, a Notary Public in and for the said County in the State aforesaid, do hereby certify that Leanne M. Duffy, personally known to me to be the same person whose name is, as Vice President of U.S. Bank National Association, as Trustee, a national banking association organized under the laws of the United States of America, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that she, being thereunto duly authorized, signed, sealed with the seal of said association, and delivered said instrument as the free and voluntary act of said association and as [his/her] own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 10th day of October, 2016.

Amy E. Watkins

NOTARY PUBLIC, STATE OF FLORIDA

NOTARY PUBLIC
SEAL OF OFFICE:



(Name of Notary Public, Print,
Stamp or Type as Commissioned.)

Personally known to me, or
 Produced identification

(Type of Identification Produced)

LESS AND EXCEPT:

A PARCEL OF LAND LYING IN SECTION 24, TOWNSHIP 47 SOUTH, RANGE 25 EAST, LEE COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID SECTION 24; THENCE NORTH 01°16'04" WEST ALONG THE WEST LINE OF SAID SECTION 24 A DISTANCE OF 54.85 FEET TO AN INTERSECTION WITH THE ARC OF A NON-TANGENT CURVE CONCAVE SOUTHERLY AND WHOSE RADIUS POINT BEARS SOUTH 01°25'11" EAST A DISTANCE OF 2430.45 FEET; THENCE EASTERLY ALONG THE ARC OF SAID NON-TANGENT CURVE THROUGH A CENTRAL ANGLE OF 09°27'07" AN ARC DISTANCE OF 400.94 FEET TO THE NORTHWESTERLY CORNER OF TRACT C-11 OF HAWTHORNE PHASE 1B AS RECORDED IN INSTRUMENT NO. 2006000122125, PUBLIC RECORDS OF LEE COUNTY, FLORIDA; THENCE SOUTH 14°31'13" WEST ALONG SAID WESTERLY LINE A DISTANCE OF 110.00 FEET TO THE SOUTHWESTERLY CORNER OF SAID TRACT C-11; THENCE LEAVING SAID SOUTHWESTERLY CORNER NORTH 75°38'47" WEST A DISTANCE OF 381.30 FEET TO THE POINT OF BEGINNING OF THE PARCEL HEREIN DESCRIBED.

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APPENDIX D

FORM OF OPINION OF SPECIAL TAX COUNSEL

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APPENDIX D

PROPOSED FORM OF SPECIAL TAX COUNSEL OPINION

On the date of issuance of the Series 2026A Certificates in definitive form, Greenberg Traurig, P.A., Special Tax Counsel, proposes to render its approving opinion in substantially the following form:

[Date of Delivery]

The School Board of Lee County, Florida
2855 Colonial Boulevard
Fort Myers, Florida 33966

Re: \$_____ Certificates of Participation, Series 2026A Evidencing Undivided Proportionate Interests of the Owners Thereof in Basic Lease Payments to be Made by The School Board of Lee County, Florida, as Lessee, Pursuant to a Master Lease Purchase Agreement with Lee County School Board Leasing Corporation, as Lessor

Ladies and Gentlemen:

We have acted as special tax counsel in connection with the issuance of the \$_____ aggregate principal amount of Certificates of Participation, Series 2026A Evidencing Undivided Proportionate Interests of the Owners Thereof in Basic Lease Payments to be Made by The School Board of Lee County, Florida, as Lessee, Pursuant to a Master Lease Purchase Agreement with Lee County School Board Leasing Corporation, as Lessor (the "Series 2026A Certificates"). In that capacity, we have reviewed (i) the Master Lease Purchase Agreement dated as of August 15, 1991, as amended as of June 29, 2020 and as supplemented (the "Master Lease"), between The School Board of Lee County, Florida (the "School Board") and Lee County School Board Leasing Corporation (the "Corporation"); (ii) Amended and Restated Schedule 2016A to the Master Lease dated as of August 1, 2026 ("Schedule 2016A", which together with the Master Lease, is herein referred to as the "Series 2016A Lease") executed by the School Board, the Corporation and U.S. Bank Trust Company, National Association (successor to SunTrust Bank, Central Florida, National Association) (the "Trustee"), as assignee of the Corporation; (iii) the Series 2016A Ground Lease dated as of October 1, 2016; (iv) the Master Trust Agreement dated as of August 15, 1991, as supplemented by a Series 2026A Supplemental Trust Agreement, dated as of August 1, 2026 (collectively, the "Trust Agreement"), each between the Corporation and the Trustee; (v) the Series 2016A Assignment Agreement dated as of October 1, 2016, between the Corporation and the Trustee; (vi) the form of the Series 2026A Certificates; and various other related documents and certificates. The Series 2026A Certificates are payable from Basic Lease Payments made pursuant to the Series 2016A Lease.

The Basic Lease Payments are payable from funds appropriated by the School Board from current and other funds authorized by law and regulations of the Department of Education of the State of Florida. The School Board is not legally required to appropriate money for this purpose. None of the School Board, the School District of Lee County, Florida (the “District”), the State of Florida, or any political subdivision thereof shall be obligated to pay, except from appropriated funds, any sums due under the Series 2016A Lease from any source of taxation, and the full faith and credit of the School Board and the District is not pledged for payment of such sums due thereunder and such sums do not constitute an indebtedness of the School Board or the District within the meaning of any constitutional or statutory provision or limitation.

As to questions of fact material to our opinion, we have relied upon the representations of the School Board contained in the Series 2016A Lease and in the certified proceedings and other certifications of officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion that:

1. The Series 2016A Lease has been duly authorized, executed and delivered by the School Board and, assuming due authorization, execution and delivery by the Corporation and the Trustee, constitutes a valid and legally binding agreement of the School Board enforceable against the School Board in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors’ rights or by the exercise of judicial discretion in accordance with general principles of equity.

2. The Series 2026A Certificates evidence an undivided proportionate interest of the owners thereof in the Basic Lease Payments to be made by the School Board pursuant to the Series 2016A Lease.

3. Under existing statutes, regulations, rulings and court decisions, subject to the assumptions stated below, the portion of the Basic Lease Payments designated and paid as interest to the owners of the Series 2026A Certificates is excludable from gross income for federal income tax purposes, and furthermore, the portion of the Basic Lease Payments designated and paid as interest to the owners of the Series 2026A Certificates is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. In the case of the alternative minimum tax imposed by Section 55(b)(2) of the Code on applicable corporations (as defined in Section 59(k) of the Code), the portion of the Basic Lease Payments designated and paid as interest to the owners of the Series 2026A Certificates is not excluded from the determination of adjusted financial statement income.

We express no opinion regarding other federal tax consequences resulting from the receipt or accrual of the interest portion of the Basic Lease Payments designated and paid as interest to the owners of the Series 2026A Certificates, or the ownership or disposition of the Series 2026A Certificates. Furthermore, no opinion is expressed with respect to the federal income tax

consequences of any payments received with respect to the Series 2026A Certificates following termination of the Master Lease as a result of non-appropriation of funds or the occurrence of an Event of Default thereunder.

In rendering the opinion in the preceding paragraph, we have assumed the accuracy of certain certifications of the School Board and continuing compliance by the School Board with the requirements of the Internal Revenue Code of 1986, as amended, and applicable regulations thereunder that must be met after the issuance of the Series 2026A Certificates in order that the portion of the Basic Lease Payments designated and paid as interest to the owners of the Series 2026A Certificates be and remain excludable from gross income for federal income tax purposes. The School Board's failure to meet such requirements may cause the portion of the Basic Lease Payments designated and paid as interest to the owners of the Series 2026A Certificates to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2026A Certificates. The School Board has covenanted to comply with such requirements.

4. The Series 2026A Certificates and the portion of the Basic Lease Payments designated and paid as interest to the owners of the Series 2026A Certificates are not subject to taxation under the laws of the State of Florida, except as to estate taxes and taxes under Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations as defined therein; provided, however, that no opinion is expressed with respect to tax consequences under the laws of the State of Florida of any payments received with respect to the Series 2026A Certificates following termination of the Master Lease as a result of non-appropriation of funds or the occurrence of an event of default thereunder.

We express no opinion regarding the perfection or priority of the lien on the Trust Estate (as defined in the Trust Agreement). Further, we express no opinion regarding federal or state tax consequences arising with respect to any payments received with respect to the Series 2026A Certificates other than as expressly set forth herein.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Respectfully submitted,

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APPENDIX E

FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT

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DISCLOSURE DISSEMINATION AGENT AGREEMENT

[\$[PAR AMOUNT]] Certificates of Participation, Series 2026A

This Disclosure Dissemination Agent Agreement (the "Disclosure Agreement"), dated [CLOSING DATE], 2026, is executed and delivered by The School Board of Lee County, Florida (the "School Board") and Digital Assurance Certification LLC, as Disclosure Dissemination Agent (the "Disclosure Dissemination Agent" or "DAC"), for the benefit of the Holders (hereinafter defined) of the captioned Certificates (hereinafter defined) and in order to provide certain continuing disclosure with respect to the Certificates (hereinafter defined) in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the "Rule").

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the School Board through use of the DAC system and do not constitute "advice" within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"). DAC will not provide any advice or recommendation to the School Board or anyone on the School Board's behalf regarding the "issuance of municipal securities" or any "municipal financial product" as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary.

SECTION 1. DEFINITIONS. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Offering Statement (hereinafter defined). The following capitalized terms shall have the following meanings:

"Annual Filing Date" means the date, set forth in Sections 2(a) and 2(f), by which the Annual Report is to be filed with the MSRB (as hereinafter defined).

"Annual Financial Information" means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

"Annual Report" means an Annual Report described in and consistent with Section 3 of this Disclosure Agreement.

"Audited Financial Statements" means the annual financial statements of the School Board for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

"Certificates" means, collectively, the \$[PAR AMOUNT] Certificates of Participation, Series 2026A as listed on the attached Exhibit A, each with the 9-digit CUSIP numbers relating thereto.

"Certification" means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure required to be submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the School Board and include the full name of the Certificates and the 9-digit CUSIP numbers for all Certificates to which the document applies.

"Disclosure Dissemination Agent" means Digital Assurance Certification LLC, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the School Board pursuant to Section 9 hereof.

"Disclosure Representative" means the School Board's Chief Finance Officer, or his or her designee, or such other person as the School Board shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

"District" means the School District of Lee County, Florida.

"Failure to File Event" means the School Board's failure to file an Annual Report on or before the Annual Filing Date.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of an obligation or instrument described in either clause (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Force Majeure Event" means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent's reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar

occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

"Holder" means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Certificates (including persons holding Certificates through nominees, depositories or other intermediaries) or (b) treated as the owner of any Certificates for federal income tax purposes.

"Information" means, collectively, the Annual Reports, the Audited Financial Statements, the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

"MSRB" means the Municipal Securities Rulemaking Board, or any successor thereto, established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

"Notice Event" means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule.

"Obligated Person" means the School Board, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Certificates (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), as shown on Exhibit A.

"Offering Statement" means that Offering Statement prepared by the School Board in connection with the Certificates, as listed on Exhibit A.

"Trustee" means the institution identified as such in the document under which the Certificates were issued.

"Voluntary Event Disclosure" means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(11) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

"Voluntary Financial Disclosure" means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

SECTION 2. PROVISION OF ANNUAL REPORTS. (a) The School Board shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent not later than the Annual Filing Date. Promptly

upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB via the Electronic Municipal Market Access System ("EMMA") not later than the January 15 following the end of each fiscal year of the School Board, commencing with the fiscal year ending June 30, 2026. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the School Board of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification) no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the School Board will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent that a Failure to File Event has occurred and to immediately send a notice to the MSRB in substantially the form attached as Exhibit B, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 6:00 p.m. Eastern Time on the Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the School Board irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(d) If Audited Financial Statements of the School Board are prepared but not available prior to the Annual Filing Date, the School Board shall, when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

(i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;

(ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) with the MSRB;

(iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with the MSRB;

(iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) with the MSRB, identifying the Notice Event as instructed by the School Board pursuant to Section 4(a) or 4(b)(ii) (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:

1. "Principal and interest payment delinquencies";
2. "Non-Payment related defaults, if material";
3. "Unscheduled draws on debt service reserves reflecting financial difficulties";
4. "Unscheduled draws on credit enhancements reflecting financial difficulties";
5. "Substitution of credit or liquidity providers, or their failure to perform";
6. "Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Certificates, or other material events affecting the tax-exempt status of the Certificates";
7. "Modifications to rights of securities holders, if material";
8. "Bond calls, if material and tender offers";
9. "Defeasances";
10. "Release, substitution, or sale of property securing repayment of the securities";
11. "Rating changes";

12. "Bankruptcy, insolvency or receivership or similar event of the Obligated Person";

13. "The consummation of a merger, consolidation or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material";

14. "Appointment of a successor or additional trustee, or the change of name of a trustee, if material";

15. "Incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, if material"; and

16. "Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligated Person, any of which reflect financial difficulties."

(v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as "Failure to provide annual financial information as required" when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;

(vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) with the MSRB, identifying the Voluntary Event Disclosure as instructed by the School Board pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:

1. "amendment to continuing disclosure undertaking";
2. "change in obligated person";
3. "notice to investors pursuant to bond documents";
4. "certain communications from the Internal Revenue Service, other than those communications included in the Rule";
5. "secondary market purchases";

6. "bid for auction rate or other securities";
7. "capital or other financing plan";
8. "litigation/enforcement action";
9. "change of tender agent, remarketing agent, or other on-going party";
10. "derivative or other similar transaction"; and
11. "other event-based disclosures";

(vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the School Board pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:

1. "quarterly/monthly financial information";
2. "change in fiscal year/timing of annual disclosure";
3. "change in accounting standard";
4. "interim/additional financial information/operating data";
5. "budget";
6. "investment/debt/financial policy";
7. "information provided to rating agency, credit/liquidity provider or other third party";
8. "consultant reports"; and
9. "other financial/operating data."

(viii) provide the School Board evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The School Board may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, the Trustee and the MSRB, provided that the period

between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Any Information received by the Disclosure Dissemination Agent before 6:00 p.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

SECTION 3. CONTENT OF ANNUAL REPORTS. (a) Each Annual Report shall contain Annual Financial Information with respect to the School Board for the prior fiscal year, including, to the extent not set forth in the Audited Financial Statements:

1. Updates of information in the Offering Statement relating to:
 - a. Statistical information in the table entitled, "Summary of Statistical Data" under the heading "THE SCHOOL BOARD OF LEE COUNTY, FLORIDA";
 - b. Financial information in the tables entitled, "Statement of Operations for the General Fund," "Statement of Operations for the Capital Projects Fund" and "Statement of District Long-Term Debt" under the heading "FINANCIAL RESULTS AND LIABILITIES OF THE DISTRICT";
 - c. Actual fiscal year Discretionary Sales Surtax Revenues as described under the heading "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS"; and
 - d. Tables entitled "Assessed and Estimated Actual Value of Taxable Property," "District Millage Rates," "Property Tax Levies and Collections" and "Principal Property Taxpayers" under the heading "AD VALOREM TAXATION."

(b) If available at the time of such filing, the Audited Financial Statements of the School Board for the prior fiscal year, prepared in accordance with generally accepted auditing standards, and Government Auditing Principles issued by the Comptroller General of the United States. If the School Board's Audited Financial Statements are not available by the time the Annual Report is required to be filed pursuant to Section 2(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial

statements contained in the final Offering Statement, and the Audited Financial Statements shall be filed in the same manner as the Annual Report when they become available. Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference from other documents, including offering statements of debt issues with respect to which the School Board is an "obligated person" (as defined by the Rule), which have been previously filed with the Securities and Exchange Commission or available on the EMMA website. If the document incorporated by reference is a final Offering Statement, it must be available from the MSRB. The School Board will clearly identify each such document so incorporated by reference.

The School Board will reserve the right to modify from time to time the specific type of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the School Board; provided that the School Board will agree that any such modification will be done in a manner consistent with the Rule.

SECTION 4. REPORTING OF NOTICE EVENTS. (a) The occurrence of any of the following events with respect to the Certificates constitutes a Notice Event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements relating to the Certificates reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701- TEB) or other material notices or determinations with respect to the tax status of the Certificates, or other material events affecting the tax-exempt status of the Certificates;
7. Modifications to rights of Certificate holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;

10. Release, substitution, or sale of property securing repayment of the Certificates, if material;
11. Rating changes on the Certificates;
12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

Note to subsection (a)(12) of this Section 4: For the purposes of the event described in subsection (a)(12) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of an Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of an Obligated Person, any of which affect Certificate holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of an Obligated Person, any of which reflect financial difficulties.

The School Board shall, in a timely manner not in excess of ten (10) business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) of this Section 4 and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the School Board desires to make, contain the written authorization of the School Board for the Disclosure Dissemination Agent to disseminate such information, and identify the date the School Board desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the School Board or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two (2) business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the School Board determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which should be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the School Board desires to make, contain the written authorization of the School Board for the Disclosure Dissemination Agent to disseminate such information, and identify the date the School Board desires for the Disclosure Dissemination Agent to disseminate the information, (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the School Board as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with the MSRB, in accordance with Section 2(e)(iv) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

SECTION 5. CUSIP NUMBERS. Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements, Notice Event notices, Failure to File Event notices, Voluntary Event Disclosures and Voluntary Financial Disclosures, the School Board shall indicate the full name of the Certificates and the 9-digit CUSIP numbers for the Certificates as to which the provided information relates.

SECTION 6. ADDITIONAL DISCLOSURE OBLIGATIONS. The School Board acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the School Board, and that the duties and responsibilities of the Disclosure Dissemination Agent do not extend to providing legal advice regarding such laws. The School Board acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. VOLUNTARY FILING. (a) The School Board may instruct the Disclosure Dissemination Agent to file Voluntary Event Disclosure with the MSRB, from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the School Board desires to make, contain the written authorization of the School Board for the Disclosure Dissemination Agent to disseminate such information, and identify the date the School Board desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the School Board as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The School Board may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the text of the disclosure that the School Board desires to make, contain the written authorization of the School Board for the Disclosure Dissemination Agent to disseminate such information, and identify the date the School Board desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the School Board as prescribed in this Section 7(b) to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(c) The parties hereto acknowledge that the School Board is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(d) Nothing in this Disclosure Agreement shall be deemed to prevent the School Board from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Annual Financial Statement, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the School Board chooses to include any information in any Annual Report, Annual Financial Statement, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that which is specifically required by this Disclosure Agreement, the School Board shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Annual Financial Statement, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

SECTION 8. TERMINATION OF REPORTING OBLIGATION. The obligations of the School Board and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Certificates upon the legal defeasance, prior prepayment or payment in full of all of the Certificates, when the School Board is no longer an Obligated Person with respect to the Certificates, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of nationally recognized special tax counsel to the effect that continuing disclosure is no longer required.

SECTION 9. DISCLOSURE DISSEMINATION AGENT. The School Board has appointed Digital Assurance Certification LLC as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The School Board may, upon thirty days written notice to the Disclosure Dissemination Agent and the Trustee, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the School Board or DAC, the School Board agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Certificates. Notwithstanding any replacement or appointment of a successor, the School Board shall remain liable until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the School Board.

SECTION 10. REMEDIES IN EVENT OF DEFAULT. In the event of a failure of the School Board or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure

Agreement shall not constitute a default on the Certificates or under any other document relating to the Certificates, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. DUTIES, IMMUNITIES AND LIABILITIES OF DISCLOSURE DISSEMINATION AGENT. (a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the School Board has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the School Board and shall not be deemed to be acting in any fiduciary capacity for the School Board, the Holders of the Certificates or any other party. The Disclosure Dissemination Agent shall have no responsibility for the School Board's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the School Board has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon certifications of the School Board at all times.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. If the School Board has given its consent to the use of external counsel, the reasonable fees and expenses of such external counsel shall be payable by the School Board.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. AMENDMENT; WAIVER. Notwithstanding any other provision of this Disclosure Agreement, the School Board and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the School Board and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Certificates and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or

official interpretation of the Rule; provided neither the School Board or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days' written notice of the intent to do so together with a copy of the proposed amendment to the School Board. No such amendment shall become effective if the School Board shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. BENEFICIARIES. This Disclosure Agreement shall inure solely to the benefit of the School Board, the Trustee of the Certificates, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Certificates and shall create no rights in any other person or entity.

SECTION 14. GOVERNING LAW. This Disclosure Agreement shall be governed by the laws of the State of Florida (other than with respect to conflicts of laws).

SECTION 15. COUNTERPARTS. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Remainder of page intentionally left blank]

The Disclosure Dissemination Agent and the School Board, through its governing body, have caused this Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

**DIGITAL ASSURANCE CERTIFICATION
LLC, as Disclosure Dissemination Agent**

By: _____
Brianna Steger
Senior Vice President

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

By: _____
Chair

EXHIBIT A

NAME AND CUSIP NUMBERS OF CERTIFICATES

Name of Issuer: The School Board of Lee County, Florida
Obligated Persons: The School Board of Lee County, Florida
Name of Bond Issue: Certificates of Participation, Series 2026A
Date of Issuance: [CLOSING DATE], 2026
Date of Offering Statement: [SALE DATE], 2026
Initial CUSIP Numbers: See below

Initial CUSIP
Number

EXHIBIT B

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: The School Board of Lee County, Florida
Obligated Persons: The School Board of Lee County, Florida
Name of Certificate Issue: Certificates of Participation, Series 2026A
Date of Issuance: [CLOSING DATE], 2026
Date of Offering Statement: [SALE DATE], 2026
Initial CUSIP Numbers*: See below

Initial CUSIP Number

NOTICE IS HEREBY GIVEN that the School Board has not provided an Annual Report with respect to the above-named Certificates as required by the Disclosure Agreement, dated as of [CLOSING DATE], 2026, between the School Board and Digital Assurance Certification LLC, as Disclosure Dissemination Agent. The School Board has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by _____.

Dated:

Digital Assurance Certification LLC, as
Disclosure Dissemination Agent, on behalf of
the School Board

cc: The School Board of Lee County, Florida
Obligated Person

EXHIBIT C-1

EVENT NOTICE COVER SHEET

This cover sheet and accompanying "event notice" may be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name:

[C1] The School Board of Lee County, Florida

Issuer's Six-Digit CUSIP Number:

[C2] _____

or Nine-Digit CUSIP Number(s) of the Certificates to which this event notice relates:

[C3] _____

Number of pages attached: [C4] _____

____ Description of Notice Events (Check One): [C5]

1. _____ "Principal and interest payment delinquencies;"
2. _____ "Non-Payment related defaults, if material;"
3. _____ "Unscheduled draws on debt service reserves reflecting financial difficulties;"
4. _____ "Unscheduled draws on credit enhancements reflecting financial difficulties;"
5. _____ "Substitution of credit or liquidity providers, or their failure to perform;"
6. _____ "Adverse tax opinions, IRS notices or events affecting the tax status of the security;"
7. _____ "Modifications to rights of securities holders, if material;"
8. _____ "Bond calls, if material and tender offers;"
9. _____ "Defeasances;"
10. _____ "Release, substitution, or sale of property securing repayment of the securities, if material;"
11. _____ "Rating changes;"
12. _____ "Bankruptcy, insolvency, receivership or similar event of the obligated person;"
13. _____ "Merger, consolidation, or acquisition of the obligated person, if material;"
14. _____ "Appointment of a successor or additional trustee, or the change of name of a trustee, if material;"
15. _____ "Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect Certificate holders, if material;" and
16. _____ "Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties."

____ Failure to provide annual financial information as required. [C6]

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

Name: [C7] _____ Title: [C8] _____

Date: [C9] _____

EXHIBIT C-3

VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary financial disclosure" may be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of [C9] [CLOSING DATE], 2026 between the Issuer and DAC.

Issuer's and/or Other Obligated Person's Name:

[C1] The School Board of Lee County, Florida

Issuer's Six-Digit CUSIP Number:

[C2] _____

or Nine-Digit CUSIP Number(s) of the Certificates to which this notice relates:

[C3] _____

Number of pages attached: [C4] _____

_____ Description of Voluntary Financial Disclosure (Check One): [C12]

- 1. _____ "quarterly/monthly financial information;"
- 2. _____ "change in fiscal year/timing of annual disclosure;"
- 3. _____ "change in accounting standard;"
- 4. _____ "interim/additional financial information/operating data;"
- 5. _____ "budget;"
- 6. _____ "investment/debt/financial policy;"
- 7. _____ "information provided to rating agency, credit/liquidity provider or other third party;"
- 8. _____ "consultant reports;" and
- 9. _____ "other financial/operating data."

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

Name: [C7] _____ Title: [C8] _____

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