

**AGENDA**  
**BAY DISTRICT SCHOOL BOARD MEETING**  
**December 17, 2019**

**1:00 P.M. – BOARD ROOM**

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Revision #1

Call to Order – Steve Moss, Chairman  
Invocation – William Husfelt, Superintendent  
Pledge of Allegiance – Ginger Littleton, School Board Member

**I. APPROVAL OF AGENDA**

**II. Resolution authorizing necessary action for the School Board to issue the Series 2019 Certificates of Participation to finance Jinks Middle School Gymnasium, Bay High School Classroom Wing, and renovations to certain other educational facilities.**

**III. Hearing from the Public.**

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

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

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

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

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

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

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

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

"District" means the School District of Bay County, Florida.

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

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

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

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

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

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

"Secretary" means the Superintendent of the District, who is the ex-officio Secretary of the Board and, in his or her absence or unavailability, any Deputy Superintendent or such other person as may be duly authorized to act on his or her behalf.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(g) The Board authorized its Financial Advisor to seek bids from banking institutions to determine whether a sale of the Series 2019 Certificates would be in the best interest of the Board, and the Board has been advised that the Term Sheet offered by the Purchaser is the best offer and it is necessary and desirable at this time to accept the Term Sheet and to privately place the Series 2019 Certificates with the Purchaser on behalf of the Board.

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

(i) The Series 2019 Certificates shall be secured solely as provided in the Master Trust Agreement, the Ground Lease, the Series 2019 Supplemental Trust Agreement and the Series 2019 Lease Agreement, it being understood that neither the Series 2019 Certificates nor the interest represented thereby shall be or constitute a general obligation of the Corporation, the District, the Board, Bay County, Florida or the State of Florida, or any political subdivision or agency thereof, a pledge of the faith and credit of the Corporation, the District, the Board, Bay County, Florida or the State of Florida, or any political subdivision or agency thereof, or a lien upon any property of or located within the boundaries of the District.

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

**SECTION 4. LEASE OF PREMISES.** The land constituting the Premises identified in Exhibit A attached to the Ground Lease on which the Series 2019 Project will be located, and made a part hereof, is hereby approved and affirmed for leasing to the Corporation as part of the Financing Program.

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

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

**SECTION 7. APPROVAL OF SERIES 2019 SUPPLEMENTAL TRUST AGREEMENT.** The Board hereby authorizes and directs the Chairman to execute the Series 2019 Supplemental Trust Agreement, and the Secretary to attest the same under the seal of the Board and to deliver the Series 2019 Supplemental Trust Agreement to the Corporation and the Trustee for their execution. The Series 2019 Supplemental Trust Agreement shall be in substantially the form attached hereto as Exhibit C, with such changes, amendments, modifications, omissions and additions as may be approved by the Chairman. Execution by the Chairman of the Series 2019 Supplemental Trust Agreement shall be deemed to be conclusive evidence of approval of such changes. The Board hereby approves the terms of the Series 2019 Certificates as provided in the Series 2019 Supplemental Trust Agreement. The authorization to execute and deliver the Series 2019 Supplemental Trust Agreement is expressly conditioned upon compliance with the terms and conditions set forth herein and in the Term Sheet for the execution, authentication and delivery of the Series 2019 Certificates.

**SECTION 8. NEGOTIATED SALE OF THE SERIES 2019 CERTIFICATES AUTHORIZED AND DESCRIPTION OF THE SERIES 2019 CERTIFICATES.**

(a) Subject to the requirements which must be satisfied in accordance with the provisions of Section 8(b) prior to the issuance of the Series 2019 Certificates, the Board hereby authorizes the issuance of a Series of Certificates, to be known as the "Certificates of Participation (School Board of Bay County, Florida Master Lease Program, Series 2019)," for the principal purpose of providing moneys for refinancing the cost of lease-purchasing the Series 2019 Project. The Series 2019 Certificates shall be issued only in accordance with the provisions of the Master Trust Agreement and the Series 2019 Supplemental Trust Agreement and all the provisions hereof and thereof shall be applicable thereto.

(b) The Board hereby authorizes a negotiated sale of the Series 2019 Certificates to the Purchaser in accordance with the terms hereof and in the Term Sheet. The Secretary is authorized to accept the terms of the Term Sheet.

(c) Prior to delivery of the Series 2019 Certificate, the Purchaser shall deliver (i) a Purchaser's Certificate, the form of which is attached hereto as Exhibit D, and (ii) a Disclosure Letter containing the information required by Section 218.385, Florida Statutes, the form of which is attached hereto as Exhibit E.

**SECTION 9. TRUSTEE.** Hancock Bank, a trade name of Whitney Bank, a Mississippi Charter Bank, and its successors, agents or assigns, as successor Trustee, is hereby confirmed as Trustee in connection with the Series 2019 Certificates.

**SECTION 11. GENERAL AUTHORITY.** The members of the Board, the Secretary and the officers, attorneys and other agents or employees of the District are hereby authorized to do all acts and things required of them by this Resolution or desirable or consistent with the requirements of this Resolution, the Series 2019 Lease Agreement, the Master Trust Agreement, or the Series 2019 Supplemental Trust Agreement, for the full punctual and complete performance of all the terms, covenants and agreements contained herein or therein, and each member, employee, attorney and officer of the District and the Secretary is hereby authorized and directed to execute and deliver any and all papers and instruments and to be and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated hereunder.

**SECTION 12. SEVERABILITY AND INVALID PROVISIONS.** If any one or more of the covenants, agreements or provisions herein contained shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way affect the validity of any of the other provisions hereof.

**SECTION 13. EFFECTIVE DATE.** This Resolution shall become effective immediately upon its adoption.

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

SCHOOL BOARD OF BAY COUNTY, FLORIDA,  
ACTING AS THE GOVERNING BODY OF THE  
BAY COUNTY SCHOOL DISTRICT

[SEAL]

ATTEST:

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

\_\_\_\_\_  
Superintendent/Secretary

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

\_\_\_\_\_  
School Board Attorney



EXHIBIT A  
TERM SHEET



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

December 10, 2019

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

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

Dear Jim:

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

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

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

Sincerely,

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

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

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

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

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

**I. PARTIES**

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

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

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

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

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

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

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

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

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

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

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



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

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

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

**INTEREST RATES:** **1.99%**

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

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

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

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

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

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

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

**IV. OTHER FEES AND EXPENSES:**

**UP-FRONT FEE:** Waived.

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

**V. REPORTING REQUIREMENTS:**

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

**VII. CONDITIONS PRECEDENT TO CLOSING:**

Including, but not limited to, the following:

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

and evidence of authority

**VIII. EVENTS OF DEFAULT:**

Customary for transactions of similar size and type.

**IX. CHOICE OF LAW:**

**GOVERNING LAW:** Florida.

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

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

Sincerely,

PNC BANK, NATIONAL ASSOCIATION



Jessica Thomas  
Assistant Vice President  
PNC Bank – Public Finance

Agreed and accepted with the intent to be legally bound:

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

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

EXHIBIT B

FORM OF LEASE SCHEDULE NO. 2019

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

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

1. Series 2019 Project. The leased property, which is described in Section 6 of this Lease Schedule (the "Series 2019 Project"), has a Maximum Cost of \$\_\_\_\_\_, and an expected Completion Date of \_\_\_\_\_.

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

(a) The Commencement Date for the Series 2019 Project is December \_\_, 2018.

(b) The Initial Lease Termination Date of the lease of the Series 2019 Project is June 30, 2020. The Maximum Lease Term commenced on the Commencement Date thereof and shall finally terminate on July 31, 20\_\_, or the date on which the principal of and interest thereon to the due date thereof of Series 2019 Certificates have been made pursuant to Section 12.01 of the Trust Agreement and any Supplemental Rent arising under the Lease Agreement shall have been paid or provided for.

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

(d) The Replacement Amount is \$\_\_\_\_\_.

3. Certificates of Participation.

(a) The Certificates of Participation issued under the Trust Agreement, as amended and supplemented, and related to this Lease Schedule are identified as the "Certificates of Participation (School Board of Bay County, Florida Master Lease Program, Series 2019)" (the "Series 2019 Certificates"), Evidencing an Undivided Proportionate Interest of Owners thereof in Basic Rent Payments to be made under a Master Lease-Purchase Agreement by the Board.

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

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

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

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

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

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

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

5. Use of Certificate Proceeds.

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

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



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

Total Proceeds

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

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

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

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

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

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

12. Redemption Requirements of Section 5.08(c) and (d) of the Master Lease Agreement Not Applicable. Notwithstanding the provisions set forth in Sections 5.08(c) and (d) of the Master Lease Agreement, if the Net Proceeds related to the Series 2019 Project are not greater than the amount of the Lease Payments represented by the Series 2019 Certificates coming due in the immediately following fiscal year under this Schedule No. 2019, then such amounts shall be used first, to pay the Interest Component of the Series 2019 Certificates for the next two interest Payment Dates and then to pay the Principal Component next coming due. In the event such Net Proceeds are greater than the amount of the Lease Payments represented by

the Series 2019 Certificates coming due under this Schedule No. 2019 in the immediately following fiscal year, at the option of the Board, the Board shall apply the portion of the Net Proceeds of such insurance or condemnation award to (i) the acquisition, construction and installation of other Land and/or Buildings to be used for educational purposes that will be subject to this Lease Schedule No. 2019, or (ii) upon receipt of an approving opinion of Special Counsel, to the Series 2019 Subaccount of the Interest Account, or Series 2019 Subaccount of the Principal Account to be credited against the payments next due to such accounts or subaccounts.

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

BAY COUNTY EDUCATIONAL FACILITIES  
FINANCE CORPORATION

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

(SEAL)

President

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

William V. Husfelt, III,  
Secretary

SCHOOL BOARD OF BAY COUNTY, FLORIDA

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

(SEAL)

Chairperson

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

William V. Husfelt, III,  
Secretary-Superintendent

**SCHEDULE A**  
**BASIC RENT SCHEDULE**

## SCHEDULE B

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

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

#### Jinks Middle School Gymnasium

Construction  
A/E fee & administrative costs  
    Other Fees  
Furniture/Equipment  
Total

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

#### Bay High School Classroom Wing

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

The Designated Equipment is:

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

#### Additional Designated Equipment:

SCHEDULE C

LEGAL DESCRIPTION

## SCHEDULE D

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

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

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

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

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

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

EXHIBIT C

FORM OF SERIES 2019 SUPPLEMENTAL TRUST AGREEMENT

SERIES 2019 SUPPLEMENTAL TRUST AGREEMENT

by and among

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

and

BAY COUNTY EDUCATIONAL FACILITIES FINANCE CORPORATION,  
as Lessor

and

SCHOOL BOARD OF BAY COUNTY, FLORIDA,  
as Lessee

Dated as of December 1, 2019

Relating to

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

Certificates of Participation

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

Evidencing an Undivided Proportionate Interest of Owners

thereof in Basic Rent Payments to be made under

a Master Lease-Purchase Agreement

by the School Board of Bay County, Florida



## TABLE OF CONTENTS

Article I.	DEFINITIONS.....	3
	Section 101. Definitions.....	3
Article II.	THE SERIES 2019 CERTIFICATES .....	4
	Section 201. Authorization of Series 2019 Certificates.....	4
	Section 202. Issuance of Series 2019 Certificates.....	6
	Section 203. Letter of Instructions.....	6
	Section 204. Financial Statements .....	6
Article III.	APPLICATION OF SERIES 2019 CERTIFICATE PROCEEDS.....	7
	Section 301. Application of Series 2019 Certificate Proceeds. ....	7
Article IV.	ESTABLISHMENT OF SERIES 2019 PLEDGED ACCOUNTS .....	7
	Section 401. Establishment of Series 2019 Pledged Accounts. ....	7
	Section 402. Security for Series 2019 Certificates.....	8
	Section 403. No Reserve Account.....	8
Article V.	PREPAYMENT of Series 2019 Certificates.....	8
	Section 501. Prepayment Dates and Prices of Series 2019 Certificates. ....	8
Article VI.	MISCELLANEOUS.....	9
	Section 601. Waiver of Jury Trial. ....	9
	Section 602. Patriot Act Notice.....	9
	Section 603. Provisions Of Trust Agreement Not Otherwise Modified.....	9
	Section 604. Third Party Beneficiaries. ....	10
	Section 605. Counterparts.....	10
	Section 606. Headings. ....	10
	Section 607. Laws and Venue.....	10

## SERIES 2019 SUPPLEMENTAL TRUST AGREEMENT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**ARTICLE I.  
DEFINITIONS**

**Section 101. Definitions.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

**Section 403. No Reserve Account.**

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

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

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

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

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

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

## **ARTICLE VI. MISCELLANEOUS**

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

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

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

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

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

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

**Section 604. Third Party Beneficiaries.**

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

**Section 605. Counterparts.**

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

**Section 606. Headings.**

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

**Section 607. Laws and Venue.**

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

[Remainder of page intentionally left blank]

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

(SEAL)

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

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

Vice President

(SEAL)

BAY COUNTY EDUCATIONAL FACILITIES  
FINANCE CORPORATION, as Lessor

ATTEST:

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

President

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

(SEAL)

SCHOOL BOARD OF BAY COUNTY,  
FLORIDA, as Lessee

ATTEST:

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

Chairman

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

SCHEDULE 1

LETTER OF INSTRUCTIONS

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

## EXHIBIT D

### FORM OF PURCHASER'S CERTIFICATE

This is to certify that \_\_\_\_\_ (the "Bank") has not required the School Board of Bay County, Florida (the "Issuer") to deliver any offering document and has conducted its own investigation, to the extent it deems satisfactory or sufficient, into matters relating to business affairs or conditions (either financial or otherwise) of the Issuer in connection with the issuance of the not to exceed \$35,000,000 Certificates of Participation (School Board of Bay County, Florida Master Lease Program, Series 2019), Evidencing an Undivided Proportionate Interest of Owners thereof in Basic Rent Payments to be made under a Master Lease-Purchase Agreement by the School Board of Bay County, Florida (the "Certificates"), and no inference should be drawn that the Bank, in the acceptance of said Certificate, is relying on Bryant Miller Olive P.A. ("Bond Counsel") or Hand Arendall Harrison Sale LLC ("Issuer Counsel") as to any such matters other than the legal opinions addressed to the Bank rendered by Bond Counsel and Issuer Counsel. Any capitalized undefined terms used herein not otherwise defined shall have the meanings set forth in the Master Trust Agreement, dated as of November 1, 1994, by and among the Corporation, the Board and the Trustee, as supplemented (the "Trust Agreement").

We acknowledge and understand that the Resolution approving the Certificates adopted by the Issuer on December \_\_, 2019 ("Resolution") and the Trust Agreement are not being qualified under the Trust Indenture Act of 1939, as amended (the "1939 Act"), and are not being registered in reliance upon the exemption from registration under Section 3(a)(2) of the Securities Act of 1933, Section 517.051(1), Florida Statutes, and/or Section 517.061(7), Florida Statutes, and that neither the Issuer, Bond Counsel nor the Issuer Counsel shall have any obligation to effect any such registration or qualification.

We do not currently intend to syndicate the Certificates. We acknowledge and understand that no filing will be made with respect to the Certificates with the Electronic Municipal Market Access website of the Municipal Securities Rulemaking School Board. We are not acting as a broker or other intermediary, and are funding the Certificates from our own capital for our own account and not with a present view to a resale or other distribution to the public.

We understand that the Certificates is issued in a single denomination equal to the principal amount due under the Certificates and may not be transferred except in amounts greater than \$100,000 to an "accredited investor" as defined in Rule 501(A)(1), (2) or (3) of Regulation D of the Securities Act of 1933, as amended, or to any direct or indirect wholly-owned subsidiary of the Bank.

We are a bank as contemplated by Section 517.061(7), Florida Statutes. We are not

funding the Certificates for the direct or indirect promotion of any scheme or enterprise with the intent of violating or evading any provision of Chapter 517, Florida Statutes.

We acknowledge and understand that there will be no CUSIP number obtained for the Certificates and no credit rating will be obtained on the Certificates.

DATED this \_\_ day of December, 2019.

\_\_\_\_\_

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

Name:

Title:

## EXHIBIT E

### FORM OF DISCLOSURE LETTER

The undersigned, as purchaser, proposes to negotiate with the School Board of Bay County, Florida (the "Issuer") for the private purchase of the School Board of Bay County, Florida, Certificates of Participation (School Board of Bay County, Florida Master Lease Program, Series 2019), Evidencing an Undivided Proportionate Interest of Owners thereof in Basic Rent Payments to be made under a Master Lease-Purchase Agreement by the School Board of Bay County, Florida (the "Certificates") in the principal amount of \$35,000,000. Prior to the award of the Certificates, the following information is hereby furnished to the Issuer:

1. Set forth is an itemized list of the nature and estimated amounts of expenses to be incurred for services rendered to us (the "Bank") in connection with the issuance of the Certificates (such fees and expenses to be paid by the Issuer):

2. (a) No fee, bonus or other compensation is estimated to be paid by the Bank in connection with the issuance of the Certificates to any person not regularly employed or retained by the Bank (including any "finder" as defined in Section 218.386(1)(a), Florida Statutes).

(b) No person has entered into an understanding with the Bank, or to the knowledge of the Bank, with the Issuer, for any paid or promised compensation or valuable consideration, directly or indirectly, expressly or implied, to act solely as an intermediary between the Issuer and the Bank or to exercise or attempt to exercise any influence to effect any transaction in the purchase of the Certificates.

3. The amount of the underwriting spread expected to be realized by the Bank is \$0.

4. The management fee to be charged by the Bank is \$0.

5. Truth-in-Bonding Statement:

The Certificates is expected to be repaid by June 30, \_\_, as provided in the Resolution adopted by the School Board on December \_\_, 2019 (the "Resolution"). At the fixed interest rate of \_\_%, total interest paid over the life of the Certificate would equal approximately \$\_\_\_\_\_.

The Certificates will be payable solely from the Available Revenues sufficient to make such payments, appropriated and deposited as described in the Trust Agreement. See the Master Trust Agreement, dated as of November 1, 1994, by and among the Corporation, the



Board and the Trustee, as supplemented (the "Trust Agreement") for the definition of Available Revenues. The total amount of Available Revenues not being available to finance the other services of the Issuer for the \_\_\_\_ years following issuance equals approximately \$\_\_\_\_\_, each year.

6. The name and address of the Bank is as follows:

[Insert]

IN WITNESS WHEREOF, the undersigned has executed this Disclosure Letter on behalf of the Bank this \_\_\_\_ day of December, 2019.

\_\_\_\_\_

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

Name:

Title: