

**TRANSFER OF REGISTRATION OF THE
SERIES 2010 CERTIFICATE HEREIN
DESCRIBED IS RESTRICTED. SEE
SECTION 706 HEREIN.**

SERIES 2010 SUPPLEMENTAL TRUST AGREEMENT

By and among

U.S. BANK NATIONAL ASSOCIATION

WALTON COUNTY PUBLIC EDUCATION FINANCE AUTHORITY, INC.

and the

SCHOOL BOARD OF WALTON COUNTY, FLORIDA,

DATED AS OF AUGUST 1, 2010

Relating to:

Not Exceeding \$10,075,000 principal amount of Certificate of Participation, Series 2010 Evidencing an Undivided Proportionate Interest of the Owners thereof in Basic Rent Payments to be made by the School Board of Walton County, Florida, as Lessee, pursuant to a Master Lease-Purchase Agreement with Walton County Public Education Finance Authority, Inc., as Lessor

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SERIES 2010 SUPPLEMENTAL TRUST AGREEMENT

THIS SERIES 2010 SUPPLEMENTAL TRUST AGREEMENT, is dated as of August 1, 2010 (the "Series 2010 Supplemental Trust Agreement"), and supplements the Trust Agreement dated as of June 1, 1999, as amended and supplemented (the "Trust Agreement"), by and among **U.S. BANK NATIONAL ASSOCIATION**, a national banking association with corporate trust powers qualified to accept trusts of the type set forth in the Trust Agreement, as successor Trustee (the "Trustee"), the **WALTON COUNTY PUBLIC EDUCATION FINANCE AUTHORITY, INC.**, a not-for-profit corporation duly organized and existing under Chapter 617, Florida Statutes (the "Corporation"), and the **SCHOOL BOARD OF WALTON COUNTY, FLORIDA**, acting as the governing body of the Walton County School District (the "Board").

WITNESSETH:

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 or refinancing of capital projects of the Board, and

WHEREAS, the Board has heretofore deemed it in its best interests to lease-purchase certain real and/or personal property from time to time and has entered into a Master Lease-Purchase Agreement dated as of June 1, 1999, 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, pursuant to the Lease Agreement, the Board by execution of a Lease Schedule to the Lease Agreement (the "Lease Schedule No. 2010"), has provided for the financing of the acquisition, construction and lease-purchase to the Board of certain capital improvements described herein (the "2010 Project"); and

WHEREAS, provision for the financing of the 2010 Project will be made by the issuance and sale of not exceeding \$10,075,000 principal amount of a Certificate of Participation, Series 2010 Evidencing an Undivided Proportionate Interest of the Owners thereof in Basic Rent

Payments to be made by the School Board of Walton County, Florida, as Lessee, pursuant to a Master Lease-Purchase Agreement with Walton County Public Education Finance Authority, Inc., as Lessor (the "Series 2010 Certificate") to be issued under the Lease Agreement and secured by and payable from the right of the Corporation to receive Basic Rent Payments to be made by the Board pursuant to the Lease Agreement and Lease Schedule No. 2010; and

WHEREAS, the Trustee will, prior to issuance of the Series 2010 Certificate, receive a Request and Authorization from the Corporation relating to the issuance of the Series 2010 Certificate to provide funds to accomplish the financing of a the 2010 Project; and

WHEREAS, the Corporation has assigned 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) and the related Ground Lease (as defined in the Trust Agreement), other than its rights of indemnification, its obligations pursuant to Section 6.03 of the Lease Agreement and its right to enter into Lease Schedules from time to time, pursuant to the Assignment Agreement dated as of June 1, 1999, as amended and supplemented, and as particularly supplemented by a Series 2010 Supplemental Assignment Agreement dated as of August 1, 2010 (collectively, the "Assignment Agreement"), between the Corporation and the Trustee; and

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

WHEREAS, the proceeds of the Series 2010 Certificate shall be used pursuant to the Trust Agreement, as supplemented hereby, to finance or reimburse the Board for the costs of acquisition, construction and installation of the 2010 Project, as well as paying costs of issuance; and

WHEREAS, the Series 2010 Certificate shall be secured in the manner provided herein and in the Trust Agreement and shall have the terms and provisions contained in this Series 2010 Supplemental Trust Agreement; and

WHEREAS, all things necessary to make the Series 2010 Certificate, when authenticated by the Trustee and issued as provided herein and in the Trust Agreement, the valid, binding and legal obligation according to the terms thereof, have been done and performed, and the creation, execution and delivery of this Series 2010 Supplemental Trust Agreement, and the creation, execution and issuance of the Series 2010 Certificate subject to the terms hereof, have in all respects been duly authorized;

NOW, THEREFORE, THIS SERIES 2010 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 2010 Supplemental Trust Agreement, the following words and terms as used in this Series 2010 Supplemental Trust Agreement shall have the following meanings unless the context or use indicates another or different meaning or intent:

“Accredited Investor” means an “accredited investor” as defined in Regulation D under the Securities Act of 1933, as amended.

“Business Day” means any day other than a Saturday, Sunday or a day on which the office of the Trustee is lawfully and temporarily closed.

“Determination of Taxability” shall mean the circumstance of interest paid or payable on the Series 2010 Certificate becoming includable for federal income tax purposes in the gross income of the Registered Owner as a consequence of any act, omission or event whatsoever and regardless of whether the same was within or beyond the control of the Board. A Determination of Taxability will be deemed to have occurred upon (a) the receipt by the Board or the Registered Owner of an original or a copy of an Internal Revenue Service Technical Advice Memorandum or Statutory Notice of Deficiency which holds that any interest payable on the Series 2010 Certificate is includable in the gross income of the Registered Owner; (b) the issuance of any public or private ruling of the Internal Revenue Service that any interest payable on such Series 2010 Certificate is includable in the gross income of the Registered Owner; or (c) receipt by the Board or the Registered Owner of an opinion of nationally recognized bond counsel that any interest on the Series 2010 Certificate has become includable in the gross income of the Registered Owner for federal income tax purposes. For all purposes of this definition, a Determination of Taxability will be deemed to occur on the date as of which the interest on the Series 2010 Certificate is deemed includable in the gross income of the Registered Owner. A Determination of Taxability shall not occur in the event such interest is taken into account in determining adjusted current earnings for the purpose of the alternative minimum income tax imposed on corporations.

“Fixed Interest Rate” means 2.98% per annum, as may be adjusted pursuant to Section 201(c) hereof.

“Holder” means SunTrust Bank, Pensacola, Florida, and thereafter any subsequent Registered Owner of the Series 2010 Certificate.

“Payment Dates” shall mean January 1 and July 1.

“Qualified Institutional Buyer” means a “Qualified Institutional Buyer” as that term is defined in Rule 144A adopted pursuant to the Securities Act of 1933, as amended.

“Series 2010 Account of the Prepayment Fund” means the account established in the Prepayment Fund pursuant to Section 6.02(b) of the Trust Agreement and Section 401(a) hereof.

“Series 2010 Account of the Rebate Fund” means the account established in the Rebate Fund pursuant to Section 6.02(b) of the Trust Agreement and Section 401(b) hereof.

“Series 2010 Certificate” means as set forth in the preambles hereof and shall further mean the Certificate authorized to be issued under Section 4.01 of the Trust Agreement and Section 201(a) hereof.

“Series 2010 Permitted Investments” means the qualified investments set forth on Exhibit “A” hereto, to the extent such investments are permitted by law.

“Series 2010 Pledged Accounts” means the account and subaccounts established pursuant to Section 6.02(b) of the Trust Agreement and Section 401(a) hereof, exclusive of the Series 2010 Account of the Rebate Fund.

“Series 2010 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(a) hereof.

“Series 2010 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(a) hereof.

“Series 2010 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(a) hereof.

“Series 2010 Subaccount of the Project Account” means the subaccount established in the Project Account pursuant to Section 6.02(b) of the Trust Agreement and Section 401(a) hereof.

ARTICLE II THE SERIES 2010 CERTIFICATE

SECTION 201. AUTHORIZATION OF SERIES 2010 CERTIFICATE.

(a) There is hereby created a Series of Certificates to be issued under the Trust Agreement and to be known as "Certificate of Participation, Series 2010 Evidencing an Undivided Proportionate Interest of the Owner thereof in Basic Rent Payments to be made by the School Board of Walton County, Florida, as Lessee, pursuant to a Master Lease-Purchase Agreement with Walton County Public Education Finance Authority, Inc., as Lessor."

The principal amount of Series 2010 Certificate which may be issued is hereby expressly limited to \$10,075,000. The Series 2010 Certificate shall be issued for the purposes of financing (a) the cost of lease-purchase financing of the 2010 Project and (b) the cost of paying Costs of Issuance of the Series 2010 Certificate.

(b) The Series 2010 Certificate shall be issued in the amount of not exceeding \$10,075,000, shall be dated as of its date of delivery, shall be issued as one fully registered Certificate, without coupons, in the principal amount of not exceeding \$10,075,000, and shall bear interest on the outstanding principal amount that may be disbursed from time to time hereunder from the date of disbursement at the Fixed Interest Rate (subject to adjustment as hereinafter provided), computed upon the basis of a 360-day year consisting of twelve (12) thirty (30)-day months. The Series 2010 Certificate shall be registered in the name of the Holder, which Holder, by the acceptance of such Series 2010 Certificate, represents that (1) it is (i) either a Qualified Institutional Buyer or Accredited Investor and (ii) has such knowledge and experience in financial and business matters including the purchase and ownership of tax-exempt or taxable municipal obligations (as the case may be), such that it is capable of evaluating the merits and risks of an investment in the Series 2010 Certificate, and (2) there may be no subsequent sale or transfer of the Series 2010 Certificate, except by operation of law or upon the express written consent of the Board, which may condition any such consent upon such requirements regarding transferee investor qualifications, disclosure, indemnity and further transfer restrictions as the Board may, in its sole discretion, direct or approve. Delivery of the Series 2010 Certificate to the Holder is subject to the receipt by the Trustee of the Investor Letter in the form attached to this Series 2010 Supplemental Trust Agreement as Exhibit "D."

Interest shall be due and payable in arrears on each Payment Date, commencing January 1, 2011, or, if any such day is not a Business Day, the next succeeding Business Day, to and including the Maturity Date (hereinafter defined). Principal shall be repaid in installments, due annually on the first day of each and every July, commencing July 1, 2011, or, if any such day is not a Business Day, the next succeeding Business Day, each in the amount as provided on the Schedule of Principal Payments attached hereto as Exhibit "B," and including the Maturity Date (hereinafter defined).

The entire unpaid principal balance, together with all accrued and unpaid interest thereon, shall be due and payable in full on July 1, 2020 (the "Maturity Date").

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Rev-08/2/10-8140-SuppTrust-v4

All payments by the Board pursuant to the Series 2010 Certificate shall apply first to accrued interest, then to other charges due the Holder, and the balance thereof shall apply to the principal sum due.

Principal and interest is payable when due by wire transfer of immediately available funds, in accordance with wire instructions provided to the Trustee by the Holder, or in such other manner as is agreed upon by the Holder and the Trustee. The principal of and interest on this Bond are payable in lawful money of the United States of America.

(c) In the event there should occur a Determination of Taxability, the Board shall pay to the Registered Owner within sixty days of receipt of demand therefor (i) an amount which, with respect to interest payments affected by the Determination of Taxability previously paid and taking into account all penalties, fines, interest and additions to tax (including all federal, state and local taxes imposed on the interest due through the date of such Determination of Taxability), will restore to the Registered Owner its after-tax yield (assuming tax at the highest marginal tax rate and taking into account the time of receipt of interest payments and reinvestment at the after-tax yield rate) on the transaction evidenced by the Series 2010 Certificate through the date of such Determination of Taxability and (ii) as additional interest payments to the Registered Owner on each succeeding payment date such amount as will maintain such after-tax yield for the period such Determination of Taxability continues to be applicable with respect to the Series 2010 Certificate; and (iii) an amount equal to any penalties and interest paid or payable by the Registered Owner to the Internal Revenue Service by reason of such Determination of Taxability. In no event, however, shall interest be charged or paid in an amount in excess of the maximum interest rate permitted to be paid under applicable law.

(d) The Series 2010 Certificate shall be a Term Certificate and shall be substantially in the form set forth as Exhibit "C" hereto.

SECTION 202. ISSUANCE OF SERIES 2010 CERTIFICATE.

The Series 2010 Certificate shall be issued upon delivery to the Trustee of documents referred to in Section 4.02 of the Trust Agreement and the payment of the purchase price therefor.

SECTION 203. 2010 PROJECT.

The 2010 Project shall be acquired, constructed and installed as provided in the Trust Agreement, the Lease Agreement and Lease Schedule No. 2010.

SECTION 204. LETTER OF INSTRUCTIONS.

Attached hereto as Schedule 1 is the Letter of Instructions relating to the Series 2010 Certificate 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 in accordance with the terms of the Trust Agreement.

SECTION 205. DESIGNATION AS BANK QUALIFIED.

The Board hereby designates the Series 2010 Certificate for purposes of paragraph (3) of Section 265(b) of the Code, and covenants that the Series 2010 Certificate does not constitute private activity bonds as defined in Section 141 of the Code, and that not more than \$30,000,000 aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Code) from gross income for federal income taxes (excluding, however, private activity bonds, as defined in Section 141 of the Code, other than qualified 501(c)(3) bonds as defined in Section 145 of the Code), including the Series 2010 Certificate, has been or shall be issued or caused to be issued by the Board including all subordinate entities of the Board, during the calendar year of 2010.

ARTICLE III
APPLICATION OF SERIES 2010 CERTIFICATE PROCEEDS

SECTION 301. APPLICATION OF SERIES 2010 CERTIFICATE PROCEEDS.

The proceeds of the Series 2010 Certificate shall be applied by the Trustee as follows:

(a) Deposit to the credit of the Series 2010 Subaccount of the Costs of Issuance Account an amount equal to the Costs of Issuance relating to the Series 2010 Certificate (estimated to be \$75,000.00);

(b) Deposit to the credit of the Series 2010 Subaccount of the Interest Account, the accrued interest on the Series 2010 Certificate in the amount of \$0.00; and

(c) Upon receipt of each advance of Principal of the Series 2010 Certificate, deposit to the credit of the Series 2010 Subaccount of the Project Account.

All moneys on deposit in the Subaccounts described in this Section shall be applied in accordance with Section 401(a) 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 2010 PLEDGED ACCOUNTS

SECTION 401. ESTABLISHMENT OF SERIES 2010 PLEDGED ACCOUNTS.

(a) In accordance with Section 6.02(b) of the Trust Agreement, there are hereby established with the Trustee, solely for the benefit of the Holder of the Series 2010 Certificate, the following accounts and subaccounts:

(1) The "School Board of Walton County, Florida Master Lease Series 2010 Subaccount of the Costs of Issuance Account".

(2) The "School Board of Walton County, Florida Master Lease Series 2010 Subaccount of the Interest Account".

(3) The "School Board of Walton County, Florida Master Lease Series 2010 Subaccount of the Principal Account".

(4) The "School Board of Walton County, Florida Master Lease Series 2010 Account of the Prepayment Fund".

(5) The "School Board of Walton County, Florida Master Lease Series 2010 Subaccount of the Project Account".

(b) In accordance with Section 6.02(b) of the Trust Agreement, there is hereby established with the Trustee, the "School Board of Walton County, Florida Master Lease Series 2010 Account of the Rebate Fund."

(c) The moneys on deposit in the Accounts and the 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 2010 Pledged Accounts shall be invested solely in the Series 2010 Permitted Investments pursuant to Section 6.10 of the Trust Agreement.

SECTION 402. SECURITY FOR SERIES 2010 CERTIFICATE.

The Series 2010 Certificate 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 which is derived from the lease, lease-purchase, sale, re-letting or other disposition of the 2010 Project, shall be utilized solely for the benefit of the Holder of the Series 2010 Certificate. The Holder of the Series 2010 Certificate shall have no claim against, nor receive any benefits from, any portion of the Trust Estate derived from the lease, lease-purchase, sale, re-letting or other disposition of Projects, other than the 2010 Project, or any cash, securities and investments in the Pledged Accounts, other than the Series 2010 Pledged Accounts.

No release or substitution of the Trust Estate securing the Series 2010 Certificate shall be permitted unless written consent of the Holder is obtained. The Corporation shall not be permitted to assign its interest in the Lease Agreement without the prior written consent of the Holder.

SECTION 403. SURPLUS AMOUNTS IN PROJECT SUBACCOUNT.

Notwithstanding anything herein or in the Lease Agreement to the contrary, any surplus amounts (any amount in excess of the cost of the 2010 Project) in the Series 2010 Subaccount of the Project Account may be used for other capital improvements of the Board at the discretion of the Board by amending the Ground Lease and Lease Schedule No. 2010 to add such improvements to the 2010 Project. Such amendments shall not require consent of any other party other than the Corporation, as a party to the amending documents.

SECTION 404. RESERVE ACCOUNT.

No subaccounts of the Reserve Account in respect of the Series 2010 Certificate shall be required to be established.

SECTION 405. INVESTMENTS.

The moneys in the Series 2010 Pledged Accounts shall be invested only in Series 2010 Permitted Investments pursuant to Section 6.10 of the Trust Agreement.

ARTICLE V
PREPAYMENT OF SERIES 2010 CERTIFICATE

SECTION 501. PREPAYMENT DATES AND PRICES OF SERIES 2010 CERTIFICATE.

(a) The Series 2010 Certificate is subject to prepayment only as provided in this Section. The Series 2010 Certificate is subject to extraordinary mandatory prepayment, in whole or in part, on any Mandatory Prepayment Date (if in part, in any order of scheduled principal payment as directed by the Board) without prepayment premium, at the principal amount thereof, together with accrued interest to the Mandatory Prepayment Date from Net Proceeds of insurance or condemnation, together with any Supplemental Rent contributed by the Board for such purpose, deposited with the Trustee pursuant to Section 5.08(d) of the Lease Agreement. For purposes of this paragraph, the Mandatory Prepayment Date shall be the next succeeding Payment Date; provided, however, if such Payment Date occurs within forty (40) days of receipt by the Trustee of the moneys to be used for such prepayment, the Mandatory Prepayment Date shall be the second succeeding Payment Date.

(b) The Series 2010 Certificate may be prepaid, subject to payment of the prepayment fee described in the form of the Series 2010 Certificate attached hereto as Exhibit "C" through and including July 1, 2015, on any date at the option of the Board, from prepayments of Basic Rent made by the Board pursuant to the Lease Agreement, in whole or in part, and any such prepayment shall be applied to the scheduled installments of principal thereon in such order as the Board may direct, at the Prepayment Price equal to one hundred percent (100%) of the Principal Portion of the Series 2010 Certificate to be prepaid, plus prepayment fees, accrued and unpaid interest thereon to the Prepayment Date.

(c) The Series 2010 Certificate may be prepaid without penalty or prepayment fee after July 1, 2015, on any date at the option of the Board, from prepayments of Basic Rent made by the Board pursuant to the Lease Agreement, in whole or in part, and any such prepayment shall be applied to the scheduled installments of principal thereon in such order as the Board may direct, at the Prepayment Price equal to one hundred percent (100%) of the Principal Portion of the Series 2010 Certificate to be prepaid, plus accrued and unpaid interest thereon to the Prepayment Date

ARTICLE VI
PROVISIONS RELATING TO SERIES 2010 CERTIFICATE

SECTION 601. DEFAULT PROVISIONS.

Upon the occurrence of an Event of Default, the Holder shall have all of the rights afforded to it pursuant to Article VIII of the Trust Agreement.

ARTICLE VII MISCELLANEOUS

SECTION 701. PROVISIONS OF TRUST AGREEMENT NOT OTHERWISE MODIFIED.

Except as expressly modified or amended hereby, the Trust Agreement shall remain in full force and effect. To the extent of any conflict between the terms of the Trust Agreement and this Series 2010 Supplemental Trust Agreement, the terms hereof shall control.

SECTION 702. RESERVED.

SECTION 703. PERFECTION OF SECURITY INTEREST.

The Board shall, on an ongoing basis, execute and deliver all documents and make or cause to be made all filings and recordings necessary or desirable in order to perfect, preserve and protect the interest of the Trustee in the 2010 Project to the extent possible under applicable law. Not earlier than 180 days nor later than 30 days prior to each fifth anniversary of the closing for the Series 2010 Certificate, the Lessor under the Lease Agreement shall deliver to the Trustee and the Holder an opinion of local counsel indicating that all filings and recordings have been made and all other actions have been taken so as to perfect, preserve and protect such interests under applicable law. This provision shall survive any termination of the Lease Agreement.

SECTION 704. OTHER HOLDER PROVISIONS.

(a) The Trust Agreement, the Lease Agreement, the Ground Lease and Assignment Agreement may not be amended without the prior written consent of the Holder.

(b) The Board shall furnish to the Holder:

(1) as soon as practicable after the completion thereof, a copy of any financial statement of the Board, a copy of any audit and annual report of the Board within 210 days after the end of each Fiscal Year and a copy of the Board's annual budget within 30 days after adoption;

(2) a copy of any certificate rendered pursuant to the Trust Agreement relating to the security for the Series 2010 Certificate;

(3) The Holder shall receive immediate notice of any payment default and notice of any other default known to the Board, or the Trustee within thirty (30) days of actual knowledge thereof; and

(4) such additional information as it may reasonably request.

(c) In connection with the issuance of additional parity obligations, the Board shall deliver to the Holder a copy of the disclosure document, if any, circulated with respect to such additional parity obligations.

(d) The Holder shall receive notice of the resignation or removal of the Trustee and the appointment of a successor thereto.

(e) All notices required to be given to the Holder under the Lease Agreement shall be in writing and shall be sent by registered or certified mail to the address set forth in Section 707.

(f) The Holder shall be included as a party in interest and as a party entitled to (i) notify the Board and the Trustee of the occurrence of an event of default and (ii) request any applicable trustee or receiver to intervene in judicial proceedings that affect the Series 2010 Certificate or the security therefor. Any such notified person shall be required to accept notice of default from the Holder.

(g) Notwithstanding anything in the Lease Agreement or the Trust Agreement to the contrary, the Board will not issue additional parity obligations bearing interest at a variable rate without the written consent of the Holder.

(h) Payments required to be made to the Holder shall be payable solely from the Trust Estate pertaining to the Series 2010 Certificate.

(i) (A) Original copies of all insurance policies must be delivered annually to the Holder within thirty (30) days of purchase or renewal.

(B) Reasonable and customary liability insurance must be maintained.

(C) All required insurance policies must be provided by a commercial insurer rated A by Best or in the two highest rating categories of S&P and Moody's.

(D) Self-insurance or insurance reserves maintained by a joint exercise of powers authority for property and casualty and liability risks shall be approved in writing by the Holder on an exception basis provided that, unless otherwise consented to by the Holder, the following minimum conditions are met:

(i) The self insurance program must be approved by an independent insurance consultant;

(ii) The self insurance program must be maintained on an actuarially sound basis and the Holder will annually receive a certified actuarial statement attesting to the sufficiency of the program's assets;

(iii) The self insurance fund must be held in a separate trust fund by an independent trustee;

(iv) In the event the self insurance program is discontinued, the actuarial soundness of the claim reserve fund must be maintained.

(j) The following conditions with respect to the 2010 Project shall be observed:

(A) Unless expressly agreed to by the Holder in its sole discretion, no substitution or release of the 2010 Project shall be permitted. At a minimum, the Holder will require the following:

(i) An MAI fair market appraisal demonstrating that the value of the substituted property is at least equal to that released;

(ii) A certificate of useful life demonstrating that the useful life of the substituted property meets or exceeds the remaining term of the Series 2010 Certificate;

(iii) Certification that the essential nature of the substituted property is comparable to that of the existing property;

(iv) Special Counsel must supply a tax opinion acceptable to the Holder;

(v) No prior liens must exist upon the substituted property;

(vi) Evidence of title must be provided for any substituted property and prior to release of any property, evidence must be provided that any existing title insurance policy will not be adversely affected.

(B) Any sublease of the 2010 Project (or any component thereof) entered into subsequent to issuance of the Series 2010 Certificate shall be subject to the consent of the Holder.

(k) The cure period for covenant defaults shall be not longer than thirty (30) days.

SECTION 705. COUNTERPARTS.

This Series 2010 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 706. HEADINGS.

Any headings 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 2010 Supplement Trust Agreement, nor shall they affect its meaning, construction or effect.

SECTION 707. LAWS.

This Series 2010 Supplemental Trust Agreement shall be construed and governed in accordance with the laws of the State of Florida.

SECTION 708. NOTICES.

(a) All written notices, certificates, reports or statements to be given under the Trust Agreement, the Lease Agreement or the Ground Lease shall be given by mail or personal delivery to the party entitled thereto, with a copy to each of the other parties to the Trust Agreement, to its address set forth below, or at such address as the party may provide to the other party in writing from time to time. Notice shall be effective upon deposit in the United States mail, postage prepaid or, in the case of personal delivery, upon delivery, to the address set forth below.

If to the Board: School Board of Walton County, Florida
 145 Park Street, Suite 3
 DeFuniak Springs, Florida 32433
 Attention: Superintendent

If to the Corporation: Walton County Public Education Finance Authority, Inc.
 145 Park Street, Suite 35086 Canal Street
 DeFuniak Springs, Florida 32433
 Attention: President

If to the Trustee: U.S. Bank National Association
 Corporate Trust Services, EX-FL-UORT
 225 E. Robinson Street, Suite 250
 Orlando, Florida 32801

If to the Holder: SunTrust Bank
 220 West Garden Street
 Pensacola, Florida 32502
 Attention: Institutional and Government Banking

(b) Any such notice, demand or request may also be transmitted to the appropriate above-mentioned party by telegram, telecopy or telephone and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed in writing and sent as specified above.

(c) Any of such addresses may be changed at any time upon written notice of such change sent by United States registered mail, postage prepaid, to the other parties by the party effecting the change.

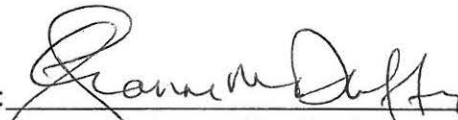
(d) All documents received by the Trustee under the provisions of this Series 2010 Supplemental Trust Agreement, or photostatic copies thereof, shall be retained in its possession until this Series 2010 Supplemental Trust Agreement shall be released under the provisions of Section 12.01 of the Trust Agreement, subject at all reasonable times upon reasonable notice to the inspection of the Corporation, the Board and any Owner and the agents and representatives thereof.

SECTION 709. RESTRICTION ON TRANSFER.

Notwithstanding the provisions of Section 4.11 of the Trust Agreement, because no municipal bond insurance policy will be obtained for the Series 2010 Certificate, ownership of the Series 2010 Certificate will not be eligible for registration with the Depository Trust Company ("DTC") and may be transferred only to qualified institutional buyers upon receipt of the written consent of the Board.

IN WITNESS WHEREOF, I have hereunto set my hand the day and year set forth above.

U.S. BANK NATIONAL ASSOCIATION
as Trustee

By: 
Assistant Vice President

IN WITNESS WHEREOF, the parties have executed this Series 2010 Supplemental Trust Agreement by their officers thereunto duly authorized as of the date and year first written above.

**WALTON COUNTY PUBLIC EDUCATION
FINANCE AUTHORITY, INC., as Lessor**

(SEAL)

By: _____

President

Attest:

By: _____

Vice-President

WITNESSES:

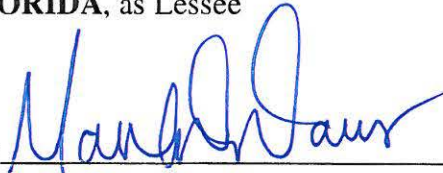
James F. McCall

Terry S. Brunner

IN WITNESS WHEREOF, the parties have executed this Series 2010 Supplemental Trust Agreement by their officers thereunto duly authorized as of the date and year first written above.

**SCHOOL BOARD OF WALTON COUNTY,
FLORIDA, as Lessee**

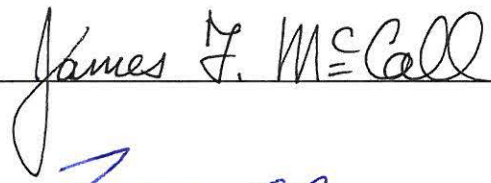

(SEAL)

By: 
Chairman

ATTEST:

By: 
Vice-Chairman

WITNESSES:

STATE OF FLORIDA

COUNTY OF WALTON

I, Jeffrey A. Brenner, a Notary Public in and for the said County in the State aforesaid, do hereby certify that Mark D. Davis and Mildred Wilkerson whose names are, respectively as President and Vice-President of the **WALTON COUNTY PUBLIC EDUCATION FINANCE AUTHORITY, INC.**, 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 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 3rd day of August 2010.



Jeffrey A. Brenner
Notary Public

My commission expires: June 11, 2014

Name: Jeffrey A. Brenner

Address: 25 West Cedar St., #500
Pensacola, FL 32502

Personally Known X or
Produced Identification _____
Type of Identification _____
Produced _____

STATE OF FLORIDA

COUNTY OF WALTON

I, Jeffrey A. Brenner, a Notary Public in and for the said County in the State aforesaid, do hereby certify that Mark D. Davis and Mildred Wilkerson whose names are, respectively as Chairman and Vice-Chairman of the **SCHOOL BOARD OF WALTON COUNTY, FLORIDA**, which is the governing body of the Walton County School District, 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 31st day of August 2010.



Jeffrey A. Brenner
Notary Public

My commission expires: June 11, 2014
Name: Jeffrey A. Brenner
Address: 25 West Cedar St., #500
Pensacola, FL 32502

Personally Known X or
Produced Identification _____
Type of Identification _____
Produced _____

EXHIBIT "A"
PERMITTED INVESTMENTS

1. Direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.

2. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

- a. Farmers Home Administration
Certificates of beneficial ownership.
- b. Federal Housing Administration Debentures (FHA)
- c. General Services Administration
Participation certificates
- d. Government National Mortgage Association (GNMA Or "Ginnie Mae")
GNMA - guaranteed mortgage-backed bonds
GNMA - guaranteed pass-through obligations (participation certificates)
(not acceptable for certain cash-flow sensitive issues.)
- e. U.S. Maritime Administration
Guaranteed Title XI financing
- f. U.S. Department of Housing and Urban Development (HUD)
Project Notes
Local Authority Bonds

3. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself):

- a. Federal Home Loan Bank System
Senior debt obligations (Consolidated debt obligations)
- b. Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac")
Participation Certificates (Mortgage-backed securities)
Senior debt obligations

- c. Federal National Mortgage Association (FNMA or "Fannie Mae") Mortgage-backed securities and senior debt obligations (excluded are stripped mortgage securities which are valued greater than par on the portion of unpaid principal.)
 - d. Student Loan Marketing Association (SLMA or "Sallie Mae") Senior debt obligations
 - e. Resolution Funding Corp. (REFCORP) Only the interest component of REFCORP strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form are acceptable.
 - f. Farm Credit System Consolidated systemwide bonds and notes.
4. Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of AAAM-G; AAA-m; or AA-m and, if rated by Moody's, rated Aaa, Aa1 or Aa2.
 5. Certificates of deposit secured at all times by collateral described in (A) and/or (B) above. CD's must have a one year or less maturity. Such certificates must be issued by commercial banks, savings and loan associations, or mutual savings banks whose short term obligations are rated "A-1+" or better by S&P and "Prime-1" by Moody's.

The collateral must be held by a third party and the bondholders must have a perfected first security interest in the collateral.
 6. Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC, including BIF and SAIF.
 7. Investment Agreements, including GIC's, acceptable to the Holder.
 8. Commercial paper rated "Prime -1" by Moody's and "A-1 +" or better by S&P.
 9. Bonds or notes issued by any state or municipality which are rated by Moody's and S&P in one of the two highest long-term rating categories assigned by such agencies.
 10. Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "Prime -1" or "A3" or better by Moody's and "A-1 +" by S&P.
 11. Repurchase agreements that provide for the transfer of securities from a dealer bank or securities firm (seller/borrower) to a municipal entity (buyer/lender), and the transfer of cash from a municipal entity to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the municipal entity in exchange for the securities at a specified date.

Repurchase Agreements must satisfy the following criteria:

- a. repos must be between the municipal entity and a dealer bank or securities firm
 - (1) Primary dealers on the Federal Reserve reporting dealer list which fall under the jurisdiction of the SIPC and which are rated A or better by S&P and Moody's, or
 - (2) Banks rated "A" or above by S&P and Moody's.
- b. The written repo contract must include the following:
 - (1) Securities which are acceptable for transfer are
 - (i) Direct U.S. governments
 - (ii) Federal agencies backed by the full faith and credit of the U.S. government (and FNMA & FHLMC)
 - (2) The term of the repo may be up to 30 days
 - (3) The collateral must be delivered to the municipal entity, Trustee (if Trustee is not supplying the collateral) or third party acting as agent for the Trustee (if the Trustee is supplying the collateral) or third party acting as agent for the Trustee (if the Trustee is supplying the collateral) before/simultaneous with payment (perfection by possession of certificated securities).
 - (4) The Trustee has a perfected first priority security interest in the collateral.
 - (5) Collateral is free and clear of third-party liens and in the case of SIPC broker was not acquired pursuant to a repo or reverse repo.
 - (6) Failure to maintain the requisite collateral percentage, after a two day restoration period, will require the Trustee to liquidate collateral.
 - (7) Valuation of Collateral
 - (i) The securities must be valued weekly, marked-to-market at current market price plus accrued interest
 - (ii) The value of collateral must be equal to 104% of the amount of cash transferred by the municipal entity to the dealer bank or security firm under the repo plus accrued interest. If the value of securities held as collateral slips below 104% of the value of the cash transferred by municipality, then additional cash and/or acceptable

securities must be transferred. If, however, the securities used as collateral are FNMA or FHLMC, then the value of collateral must equal 105%.

- c. Legal opinion which must be delivered to the municipal entity:
Repo meets guidelines under state law for legal investment of public funds.

12. Pre-refunded municipal bonds rated "Aaa" by Moody's and "AAA" by S&P. If, however, the issue is only rated by S&P (i.e., there is no Moody's rating), then the pre-refunded bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, AAA rated pre-refunded municipals to satisfy this condition.

13. Subject to the prior written approval of the Holder, such other obligations as shall be permitted to be legal investments of the Board by the laws of the State.

14. Units of participation in the Local Government Surplus Funds Trust Fund established pursuant to Part IV, Chapter 218, Florida Statutes, as amended.

EXHIBIT "B"
PRINCIPAL PAYMENT SCHEDULE

In the event that the total aggregate principal amount of the Series 2010 Certificate disbursed is less than \$10,075,000, each principal repayment on the payment schedule shall be adjusted ratably by SunTrust Bank, as Holder, to reflect such reduction in the aggregate outstanding principal amount.

Payment Date	Principal Amount
July 1, 2011	\$805,000
July 1, 2012	915,000
July 1, 2013	940,000
July 1, 2014	970,000
July 1, 2015	995,000
July 1, 2016	1,025,000
July 1, 2017	1,060,000
July 1, 2018	1,090,000
July 1, 2019	1,120,000
July 1, 2020	<u>1,155,000</u>
Total	<u>\$10,075,000</u>

EXHIBIT "C"
FORM OF SERIES 2010 CERTIFICATE

**TRANSFER OF REGISTRATION OF THE SERIES 2010 CERTIFICATE IS
RESTRICTED. SEE SECTION 709 OF THE SERIES 2010 SUPPLEMENTAL TRUST
AGREEMENT HEREIN DESCRIBED.**

No. R-1

NOT EXCEEDING \$10,075,000

**CERTIFICATE OF PARTICIPATION, SERIES 2010
EVIDENCING AN UNDIVIDED PROPORTIONATE INTEREST OF THE
OWNER THEREOF IN BASIC RENT PAYMENTS TO BE MADE BY THE
SCHOOL BOARD OF WALTON COUNTY, FLORIDA, AS LESSEE,
PURSUANT TO A MASTER LEASE-PURCHASE AGREEMENT WITH
WALTON COUNTY PUBLIC EDUCATION FINANCE AUTHORITY,
INC., AS LESSOR**

Interest Rate

2.98%

(subject to adjustment
as herein described)

Dated Date

August 5, 2010

Maturity Date

July 1, 2020

REGISTERED OWNER: SunTrust Bank

PRINCIPAL AMOUNT: NOT EXCEEDING TEN MILLION SEVENTY FIVE THOUSAND
DOLLARS (\$10,075,000)

This is to certify that the Registered Owner stated above is the registered owner of this Certificate (herein referred to as the "Series 2010 Certificate") and is entitled to receive the Principal Amount stated above in installments due on the dates and in the amounts set forth on Schedule "I" attached hereto unless provisions set forth below with respect to redemption prior to maturity become applicable, provided that the Principal Amount disbursed to the Board as set forth on the Schedule of Advances attached hereto as Schedule "I-A," and required to be repaid to the Registered Owner shall not exceed the aggregate principal amount of \$10,075,000, and no Principal Amount shall be disbursed to the Board after December 31, 2010. THE REGISTERED OWNER OF THIS NOTE SHALL HAVE THE OBLIGATION TO MAKE SUCH ADVANCES, UP TO SAID MAXIMUM OF \$10,075,000 IN ACCORDANCE WITH SCHEDULE I-A HEREOF. This Series 2010 Certificate and the "Certificate Principal Amount" and "Certificate Interest Payments" hereunder (as each is defined below) represents a proportionate undivided interest in the right to receive the Principal Component and Interest Component of Basic Rent Payments payable under the Master Lease-Purchase Agreement, dated as of June 1, 1999, as amended and supplemented (the "Master Lease"), including, in particular, as amended and supplemented by Lease Schedule No. 2010 dated as of August 5, 2010 ("Lease Schedule No. 2010" and together with the Master Lease, the "Lease"), between the Walton County Public Education Finance Authority, Inc., a not-for-profit

corporation, (the "Corporation"), and the School Board of Walton County, Florida, a school board of the State of Florida, as lessee (the "Board").

Pursuant to the Lease, the Corporation has leased the 2010 Project, as herein defined, to the Board and the Board has agreed to pay to the Corporation certain Basic Rent Payments (the "Basic Rent Payments"), which are payable at the times and in the amounts set forth in the Lease, subject to non-appropriation of funds as provided in the Lease. This Series 2010 Certificate is issued for the purpose of financing or refinancing the cost of financing certain educational facilities (the "2010 Project"). This Series 2010 Certificate is issued in the principal amount of not exceeding \$10,075,000.

The Corporation's rights under the Lease (other than certain rights specified in the Lease), including its rights to receive Basic Rent Payments, and its right to use and re-let the 2010 Project (under the circumstances contemplated in the Lease), have been assigned, without recourse, to U.S. Bank National Association, as successor in interest to Wachovia Bank, National Association (the "Trustee") pursuant to the Trust Agreement, dated as of June 1, 1999, as amended and supplemented (collectively, the "Trust Agreement"), and as particularly amended and supplemented by a Series 2010 Supplemental Trust Agreement dated as of August 1, 2010 (the "2010 Supplemental Trust Agreement"), by and among the Board, the Corporation, and the Trustee, and pursuant to the Assignment Agreement, dated as of June 1, 1999, as amended and supplemented, and as particularly amended and supplemented by a Series 2010 Supplemental Assignment Agreement dated as of August 1, 2010, each among the Board, the Corporation and others named therein (collectively, the "Assignment Agreement").

Under the Trust Agreement, the Trustee has authenticated and issued this Series 2010 Certificate evidencing the right of the registered owner of this Series 2010 Certificate to receive the portion of Basic Rent Payments to be paid by the Board under the Lease, as specified in this Series 2010 Certificate. The Trust Agreement provides that any portion of the Trust Estate, as therein defined, which is derived from the sale, re-letting or other disposition of a Project, moneys and damages received in relation to such Project, and any cash, securities and investments in any Pledged Accounts, as therein defined, relating to such Project shall be utilized solely for the benefit of the Certificates which financed or refinanced such Project and for whose benefit such Pledged Accounts were established.

As provided in the Lease, the Basic Rent shall include the scheduled principal and interest on this Series 2010 Certificate at the rate set forth herein. The Basic Rent Payments under the Lease are payable solely from moneys appropriated from the Board's Available Revenues (as defined in the Trust Agreement) and the moneys on deposit with the Trustee under the Trust Agreement. The Lease is subject to renewal at the end of each Fiscal Year of the Board which renewal will only occur if the Board approves a budget for such ensuing Fiscal Year which appropriates funds for such purpose.

As used in this Series 2010 Certificate,

"Business Day" means any day other than a Saturday, Sunday or a day on which the office of the Trustee is lawfully and temporarily closed.

"Determination of Taxability" shall have the meaning set forth in Section 101 of the 2010 Supplemental Trust Agreement.

“Fixed Interest Rate” means 2.98% per annum, as may be adjusted pursuant to Section 201(c) of the 2010 Supplemental Trust Agreement upon a Determination of Taxability.

“Payment Date” shall mean January 1 and July 1 of each year.

All capitalized terms not otherwise defined herein shall have the meaning set forth in the Trust Agreement.

The interest rate payable on this Series 2010 Certificate shall be the Fixed Interest Rate computed upon the basis of a 360-day year, consisting of twelve (12) thirty (30)-day months. Interest shall be due and payable in arrears on each Payment Date, commencing January 1, 2011, or, if any such day is not a Business Day, the next succeeding Business Day, to and including the Maturity Date set forth above (the “Maturity Date”).

Principal shall be repaid in annual installments, due on the first day of each and every July, commencing July 1, 2011, or, if any such day is not a Business Day, the next succeeding Business Day, each in the amount as provided on the Schedule of Principal Payments attached hereto as Schedule “I,” and including the Maturity Date. The entire unpaid principal balance, together with all accrued and unpaid interest thereon, shall be due and payable in full on the Maturity Date.

Principal and interest is payable when due by wire transfer of immediately available funds, in accordance with wire instructions provided to the Trustee by the Registered Owner, or in such other manner as is agreed upon by the Registered Owner and the Trustee. The principal of and interest on this Series 2010 Certificate are payable in lawful money of the United States of America, which at the time of payment is legal tender for the payment of public and private debts. All payments by the Board pursuant to this Series 2010 Certificate shall apply first to accrued interest, then to other charges due the Registered Owner, and the balance thereof shall apply to the principal sum due.

In the event of the occurrence of a Determination of Taxability, additional payments will be due with respect hereto in the amounts and on the dates set forth in Section 201(c) of the 2010 Supplemental Trust Agreement.

This Series 2010 Certificate has been designated by the Board as a “Qualified Tax Exempt Obligation” within the meaning of Section 265(b) of the Internal Revenue Code of 1986, as amended (the “Code”). The Board has covenanted with the holders from time to time of this Series 2010 Certificate that it will not take or permit any action which would cause this Series 2010 Certificate not to be a “Qualified Tax Exempt Obligation” within the meaning of Section 265(b) of the Code, or which would cause the interest on this Series 2010 Certificate to be included in the gross income, for federal tax purposes, of the holder hereof.

Extraordinary Mandatory Prepayment

The Series 2010 Certificate is subject to extraordinary mandatory prepayment, in whole or in part, on any Mandatory Prepayment Date (if in part, in any order of scheduled principal payment as directed by the Board) without prepayment premium, at the principal amount thereof, together with accrued interest to the Mandatory Prepayment Date, from Net Proceeds of insurance or condemnation, together with any Supplemental Rent contributed by the Board for such purpose,

deposited with the Trustee pursuant to Section 5.08(d) of the Lease Agreement. For purposes of this paragraph, the Mandatory Prepayment Date shall be the next succeeding Payment Date; provided, however, if such Payment Date occurs within forty (40) days of receipt by the Trustee of the moneys to be used for such prepayment, the Mandatory Prepayment Date shall be the second succeeding Payment Date.

Optional Prepayment

The Series 2010 Certificate or any principal installment thereof may be prepaid prior to their dates of maturity, at the option of the Board, as a whole or in part in such amounts as the Board in its discretion shall select on any date from moneys which may be available for such purpose, subject to payment of the prepayment fee described on Schedule "II" hereto through and including July 1, 2015. Any such prepayment, either in whole or in part, shall be made only upon written notice to the owner hereof on or before the date of such prepayment.

The Series 2010 Certificate or a portion thereof so called for prepayment will cease to bear interest after the specified prepayment date provided funds for the prepayment are on deposit at the place of payment at that time.

The Series 2010 Certificate may be prepaid without penalty or prepayment fee after July 1, 2015 at the option of the Board from prepayments of Basic Rent made by the Board pursuant to the Lease Agreement, in whole or in part, and any such prepayment shall be applied to the scheduled installments of principal thereon in such order as the Board may direct, at the Prepayment Price equal to one hundred percent (100%) of the Principal Portion of the Series 2010 Certificate to be prepaid, plus accrued and unpaid interest thereon to the Prepayment Date.

When redemption is authorized or required, the Trustee shall give to the Registered Owner notice, at the expense of the Board, of the redemption of this Series 2010 Certificate. Such notice shall specify, among other things, (1) that the whole or a designated portion of this Series 2010 Certificate is to be redeemed, (2) the date of redemption, and (3) the place or places where the redemption will be made.

Notice of such redemption shall be mailed, postage prepaid, not more than sixty (60) days nor fewer than thirty (30) days prior to said date of redemption, to the Registered Owner of any Certificate to be redeemed. Such mailing shall not be a condition precedent to such redemption, and failure to so mail any such notice, or any defect in such notice as mailed, shall affect the validity of the proceedings for the redemption of this Series 2010 Certificate.

The Board may, from time to time, lease other Projects (as defined in the Trust Agreement) from the Corporation pursuant to the Lease. The acquisition, construction and installation of each such Project shall be financed by the issuance of a series of certificates of participation pursuant to the Trust Agreement. Each series of certificates of participation issued to finance a Project shall be secured independently of other series of certificates of participation. Payment of the Basic Rent in respect of each Project is subject to annual appropriation by the Board in each Fiscal Year of Available Revenues sufficient moneys to make the Lease Payments (as defined in the Trust Agreement) for such Project.

THE BASIC RENT PAYMENTS AND, CONSEQUENTLY, THE CERTIFICATE PAYMENTS OF PRINCIPAL AND INTEREST ARE PAYABLE SOLELY FROM THE BOARD'S AVAILABLE REVENUES. THE BASIC RENT PAYMENTS ARE SUBJECT TO ANNUAL APPROPRIATION BY THE BOARD. THE CERTIFICATE PAYMENTS OF PRINCIPAL AND INTEREST AND THE PAYMENTS DUE FROM THE BOARD UNDER THE LEASE AND THE CONTRACTUAL OBLIGATIONS OF THE BOARD UNDER THE LEASE DO NOT CONSTITUTE A GENERAL OBLIGATION OF A PLEDGE OF THE FAITH AND CREDIT OF THE BOARD, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

The Trustee has no obligation or liability to the Registered Owner to make payments of the Certificate Principal Amount or Certificate Interest Payments with respect to this Series 2010 Certificate, other than from the Trust Estate. The Trustee's sole obligations are to administer, for the benefit of the Certificate Owners, the various funds and accounts established under the Trust Agreement and to exercise various responsibilities under the Trust Agreement.

This Series 2010 Certificate has been executed by the Trustee pursuant to the terms of the Trust Agreement. Copies of the Lease, the Assignment Agreement and the Trust Agreement are on file at the Principal Office of the Trustee, and reference to the Lease, the Assignment Agreement and the Trust Agreement and any and all amendments to said agreements is made for a description of the covenants of the Board, the nature, extent and manner of enforcement of such covenants, the rights and remedies of the Owner of this Series 2010 Certificate with respect thereto and the terms and conditions upon which this Series 2010 Certificate is delivered thereunder. To the extent and in the manner permitted by the terms thereof, the provisions of the Lease and the Trust Agreement may be amended by the parties thereto.

IN WITNESS WHEREOF, the Trustee has caused this Series 2010 Certificate to be executed by facsimile signature of an authorized officer as of the date stated above.

U.S. BANK NATIONAL ASSOCIATION
not in its individual capacity but solely as
Trustee, under the Trust Agreement

By: _____
Assistant Vice President

CERTIFICATE OF AUTHENTICATION

This Certificate is designated as Certificate of Participation, Series 2010 Evidencing an Undivided Proportionate Interest of the Owner thereof in Basic Rent Payments to be made by the School Board of Walton County, Florida, as Lessee, pursuant to a Master Lease-Purchase Agreement with Walton County Public Education Finance Authority, Inc., as Lessor. The Interest Rate, Maturity Date, and Principal Amount shown hereon are true and correct and have been recorded along with the name, address and taxpayer identification number of the Registered Owner shown above in the Certificate Register maintained for such purpose by the undersigned.

Date of Authentication:

U.S. BANK NATIONAL ASSOCIATION

not in its individual capacity but solely as
Trustee, under the Trust Agreement

By: _____
Assistant Vice President

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 entirety

JT TEN -- as joint tenants with right of
survivorship and not as tenants
in common

UNIF TRANS MIN ACT -- _____
(Cust.)

Custodian for _____

under Uniform Transfers to Minors Act of _____
(State)

Additional abbreviations may also be used though not in list above.

ASSIGNMENT

For value received _____, the undersigned do(es) hereby sell, assign and transfer unto _____, whose Social Security or other identifying number is _____, the within registered Certificate and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the Certificate Register of the Trustee with full power of substitution in the premises.

Dated: _____

Note: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank, or trust company.

Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within registered Certificates in every particular without alteration or enlargement or any change whatsoever.

SCHEDULE "P"
SCHEDULE OF PRINCIPAL PAYMENTS

In the event that the total aggregate principal amount of the Series 2010 Certificate is less than \$10,075,000, each principal repayment on the payment schedule shall be adjusted ratably to reflect such reduction in the aggregate outstanding principal amount.

Payment Date	Principal Amount
07/01/2011	\$ 805,000
07/01/2012	915,000
07/01/2013	940,000
07/01/2014	970,000
07/01/2015	995,000
07/01/2016	1,025,000
07/01/2017	1,060,000
07/01/2018	1,090,000
07/01/2019	1,120,000
07/01/2020	1,155,000
Total	<u>\$10,075,000</u>

SCHEDULE "I-A" TO FORM OF NOTE

SCHEDULE OF ADVANCES

The proceeds of the Series 2010 Certificate shall be advanced to the Board in accordance with the following schedule, unless the Board and the Registered Owner otherwise agree. The owner of this Series 2010 Certificate shall be obligated to advance, upon request of the Board from time to time, up to an aggregate principal amount of \$10,075,000; provided that no further principal of the Series 2010 Certificate shall be advanced after December 31, 2010.

<u>DATE OF ADVANCE</u>	<u>AMOUNT OF ADVANCE</u>	<u>TOTAL TO DATE</u>
August 5, 2010	\$6,104,728.50	\$6,104,728.50
September 5, 2010	\$1,000,000.00	\$7,104,728.50
October 5, 2010	\$1,000,000.00	\$8,104,728.50
November 5, 2010	\$1,000,000.00	\$9,104,728.50
December 5, 2010	\$970,271.50	\$10,075,000.00

SCHEDULE "II"
TO SERIES 2010 CERTIFICATE

Prepayment Provisions



Prepayment Provision Rider

This Rider made as of August 5, 2010, is incorporated into and amends and supplements the foregoing Series 2010 Certificate of the same date in the amount of not exceeding \$10,075,000 (the "Series 2010 Certificate") of the undersigned (the "Board") payable to SunTrust Bank ("SunTrust"). In addition to the covenants and agreements made in the Series 2010 Certificate, the Issuer and SunTrust agree that the following terms and conditions shall apply.

Prepayment Provision

Upon two Business Days' prior written notice to SunTrust, the Issuer may prepay amounts owing under the Series 2010 Certificate at any time and from time to time. Such prepayment notice shall specify the amount of the prepayment which is to be applied. In the event of prepayment, the Issuer may be required to pay SunTrust an additional fee (a prepayment charge) determined in the manner provided below, to compensate SunTrust for all losses, costs and expenses incurred in connection with such prepayment.

☒ The fee shall be equal to the present value of the difference between (1) the amount that would have been realized by SunTrust on the prepaid amount until July 1, 2015 at the Federal Reserve H.15 Statistical Release rate for fixed-rate payers in interest rate swaps for a term corresponding to the term of the Series 2010 Certificate, interpolated to the nearest month, if necessary, that was in effect three Business Days prior to the origination date of the Series 2010 Certificate and (2) the amount that would be realized by SunTrust by reinvesting such prepaid funds for the remaining term of the loan at the Federal Reserve H.15 Statistical Release rate for fixed-rate payers in interest rate swaps, interpolated to the nearest month, that was in effect three Business Day's prior to the loan repayment date; both discounted at the same interest rate utilized in determining the applicable amount in (2).both (1) and (2) discounted at the current rate. Should the present value have no value or a negative value, the Issuer may repay with no additional fee. Should the Federal Reserve no longer release rates for fixed-rate payers in interest rate swaps, SunTrust may substitute the Federal Reserve H.15 Statistical Release with another similar index. SunTrust shall provide the Issuer with a written statement explaining the calculation of the premium due, which statement shall, in absence of manifest error, be conclusive and binding.

☐ The fee shall be equal to: _____

Partial prepayments may be made subject to a prepayment charge based upon the same calculation methodology described above. Any partial prepayment shall be applied to installments of principal in the inverse order of maturity and shall not postpone the due dates of, or relieve the amounts of, any scheduled installment payments due hereunder. Any amounts repaid hereunder may not be re-borrowed. For purposes of this Rider, the term Business Day shall mean any day other than a Saturday or Sunday or other day on which SunTrust is authorized or required to close.

Non-Individual signature

**SCHOOL BOARD OF WALTON COUNTY,
FLORIDA**

(Seal)

By: _____
Mark D. Davis, Chairman

EXHIBIT "D"
FORM OF INVESTOR LETTER

_____ 1, 20____

School Board of Walton County
145 Park Street, Suite 3
DeFuniak Springs, Florida 32243

U.S. Bank National Association
Corporate Trust Services, EX-FL-UORT
225 E. Robinson Street, Suite 250
Orlando, Florida 32801

Re: Certificate of Participation, Series 2010 Evidencing an Undivided Proportionate Interest thereof in Basic Rent Payments to be Made by the School Board of Walton County, Florida, as Lessee, Pursuant to a Master Lease Purchase Agreement with Walton County Public Education Finance Authority, Inc., as Lessor

Ladies and Gentlemen:

The undersigned (the "Investor") hereby acknowledges receipt of the not exceeding \$10,075,000 principal amount of the above-referenced Certificate (the "Series 2010 Certificate") dated August 5, 2010.

The undersigned acknowledges that the Series 2010 Certificate received by the undersigned was issued to finance certain educational facilities (the "2010 Project"), as more particularly described in that certain Master Lease Purchase Agreement dated as of June 1, 1999, as amended and supplemented, particularly amended and supplemented by Lease Schedule No. 2010 dated as of August 5, 2010 (collectively, the "Lease Agreement"), by and among the School Board of Walton County, Florida (the "Board"), U.S. Bank National Association (the "Trustee"), and Walton County Public Education Finance Authority, Inc. (the "Corporation"). The undersigned further acknowledges that the Series 2010 Certificate is secured by a Trust Agreement dated as of June 1, 1999, as amended and supplemented, and as particularly supplemented by the Series 2010 Supplemental Trust Agreement dated as of August 1, 2010 (collectively, the "Trust Agreement"), between the Board and the Trustee, which describes the rental payments and other security (the "Trust Estate") pledged for the benefit of the owners of the Series 2010 Certificate.

In connection with the purchase of the Series 2010 Certificate by the Investor, the Investor hereby makes the following representations upon which you may rely:

1. The Investor has authority to acquire the Series 2010 Certificate and to execute this letter and any other instruments and documents required to be executed by the Investor in connection with the acquisition of the Series 2010 Certificate.

2. The Investor is an "accredited investor" under Regulation D of the Securities Act of 1933 or a "qualified institutional buyer" under Rule 144(a) of said Act and, therefore, has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the Series 2010 Certificate.

3. The Series 2010 Certificate is being acquired by the Investor for investment and not with a view to, or for resale in connection with, any distribution of the Series 2010 Certificate, and the Investor acknowledges that the Series 2010 Certificate must be held for its own account and may not be subsequently sold or transferred after the initial delivery to the Investor except as set forth in paragraph 8 below. The Investor understands that it will need to bear the risks of this investment for an indefinite time.

4. The Investor understands that the Series 2010 Certificate is not registered under the 1933 Act and that such registration is not legally required as of the date hereof; and further understands that the Series 2010 Certificate (a) is not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, (c) will not carry a rating from any rating service and (d) will be delivered in a form that will not be readily marketable.

5. The Investor understands that (a) the Series 2010 Certificate is not secured by any pledge of any moneys received or to be received from taxation by the State of Florida or any political subdivision thereof, (b) the Series 2010 Certificate does not and will not represent or constitute a general obligation or a pledge of the faith and credit of the Board, the State of Florida or any political subdivision, public agency or public corporation thereof, or any political subdivision, public agency or public corporation of any other State; and (c) the liability of the Board with respect to the Series 2010 Certificate is limited to the Trust Estate as set forth in the Trust Agreement.

6. The Investor acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, to which a reasonable investor would attach significance in making investment decisions, and the Investor has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Board, the Corporation, the 2010 Project and the Series 2010 Certificate. The Investor acknowledges that it has not relied upon the Board for any information in connection with its purchase of the Series 2010 Certificate.

7. The Investor has made its own inquiry and analysis with respect to the Series 2010 Certificate and the security therefor, and other material factors affecting the security and payment of the Series 2010 Certificate.

8. The Investor acknowledges that it has no right to sell or transfer the Series 2010 Certificate, in accordance with the terms of the Trust Agreement, except with the prior written consent of the Board or by operation of law.

9. Capitalized terms used herein and not otherwise defined have the meanings given to such terms in the Trust Agreement.

10. The Investor acknowledges and agrees that the Board and McGuireWoods LLP, are authorized to rely on the acknowledgements and representations herein set forth.

Very truly yours,

By: _____
Name:
Title:

SCHEDULE 1

LETTER OF INSTRUCTIONS

REBATE MEMORANDUM

TO: School Board of Walton County, Florida (the "Board")

FROM: McGuireWoods LLP

RE: Not Exceeding \$10,075,000 Certificate of Participation, Series 2010 Evidencing an Undivided Proportionate Interest of Owners thereof in Basic Rent Payments to be made by the School Board of Walton County, Florida, as Lessee, Pursuant to a Master Lease-Purchase Agreement with Walton County Public Education Finance Authority, Inc., as Lessor (the "Series 2010 Certificate")

DATE: August 5, 2010 (the "Issue Date")

This Memorandum explains and specifies procedures designed to comply with the provisions of Section 148(f) of the Internal Revenue Code 1986, as amended (the "Code") which relate to the rebate of arbitrage earnings to the United States. Compliance with these rebate provisions is necessary to establish and maintain the exclusion of the interest on the above-referenced Series 2010 Certificate issued by the Board from gross income for purposes of Federal income taxation, and is required by the Board's covenants in its Non-Arbitrage and Tax Certificate ("Tax Certificate") dated as of the date hereof relating to the Series 2010 Certificate. All terms and references from the Tax Certificate and from the Trust Agreement, dated June 1, 1999, as amended and supplemented, and as particularly supplemented by the Series 2010 Supplemental Trust Agreement dated as of August 1, 2010, authorizing issuance of the Series 2010 Certificate (collectively the "Trust Agreement") are hereby incorporated by reference. References herein to the "issuer" shall be construed as referring to the Board.

McGuireWoods LLP, has served as Special Counsel for the Series 2010 Certificate and on the Issue Date delivered an approving opinion relating to the validity and the exclusion from gross income of the interest component of the Basic Rent Payments in connection with the Series 2010 Certificate. Although that engagement did not include any obligation to monitor compliance with the federal tax requirements found in the Code, including the rebate requirement in Section 148(f) of the Code as described in this Exhibit "A" or in connection with any audit or examination of the Series 2010 Certificate by the Internal Revenue Service, made after the delivery of the Series 2010 Certificate, we would be happy to make arrangements with the issuer to assist with such rebate compliance or in connection with any audit or examination of the Series 2010 Certificate.

I. Rebate Requirements.

As of any required computation date, the rebate amount (the "Rebate Amount") for the Series 2010 Certificate (which must be calculated and paid to the United States as described in

Sections 4 and 5 herein) is the excess of the future value, as of that date, of all receipts (the "Nonpurpose Receipts") on nonpurpose investments over the future value, as of that date, of all payments (the "Nonpurpose Payments") on nonpurpose investments. For this purpose, nonpurpose investments include all nonpurpose investments allocated to the gross proceeds of the Series 2010 Certificate (as described in Section 4(b)(1) herein), until such time as such gross proceeds are allocated to expenditures (as described in Section 4(b)(2) herein). Future value is to be determined in accordance with Treasury Regulations Section 1.148-3(c) using the yield on the Series 2010 Certificate as the discount rate determined as described in Section 4(a) herein. Nonpurpose Receipts and Nonpurpose Payments are described more fully in Section 4(c) hereof.

Except as provided in Section 2 hereof, "nonpurpose investments" in general include (i) investments acquired with Series 2010 Certificate proceeds held prior to their expenditure to pay issuance costs, (ii) any amount held to pay rebate pursuant to this Exhibit "A", and (iii) moneys held under the Trust Agreement to repay the Series 2010 Certificate and amounts held otherwise to secure the payment of the Series 2010 Certificate to the extent reasonably expected to be available to pay Lease Payments on the Series 2010 Certificate in the event the Board encounters financial difficulties (and other replacement proceeds) and investment earnings thereon.

2. Exceptions to Rebate Requirements.

(a) Bona Fide Debt Service Fund.

Except as otherwise provided in this Section 2, earnings from the investment of amounts in the Lease Payment Fund to pay debt service on the Series 2010 Certificate are not subject to the rebate requirements of Section 1 of this Memorandum unless such Lease Payment Fund does not satisfy the requirements of Paragraph 9 of Part A of the Tax Certificate. However any amount deposited to or set aside under the Trust Agreement for the purpose of paying principal component of the Series 2010 Certificate other than at their scheduled maturity (excluding mandatory redemptions) is subject to the rebate requirements regardless of the foregoing exception.

(b) Six-Month Expenditure Exception.

If all of the Net Proceeds of the Series 2010 Certificate allocated to purposes other than refunding pursuant to Treas. Reg. Section 1.148-8(h) are allocated to expenditures for the governmental purposes for which the Series 2010 Certificate was issued on or before six months from the Issue Date, the rebate requirements of Section 1 will be considered to have been satisfied with respect to the Series 2010 Certificate. "Net Proceeds" includes investment earnings received with respect to the investment of gross proceeds of the Series 2010 Certificate but excludes amounts or earnings after the six month period on any other fund to the extent that all amounts so held meet the requirements of Code § 148(d) and excludes amounts held in the Lease Payment Fund, to the extent that such amounts satisfy the requirements set forth in paragraph 9 of the Tax Certificate.

Any failure to satisfy the foregoing spending requirement is disregarded if the amount unexpended at the end of the six month spending period is not in excess of the lesser of \$100,000 or 5% of the proceeds of the Series 2010 Certificate and such remaining amount is expended prior to one year from the Issue Date.

(c) **Eighteen Month Spending Exception.**

If the following percentage of gross proceeds of the Series 2010 Certificate is spent for the governmental purposes for which the Series 2010 Certificate is issued within the following schedule, the rebate requirements of Section 1 will be considered to have been satisfied with respect to such gross proceeds of the Series 2010 Certificate (only). For this purpose, gross proceeds of the Series 2010 Certificate includes all sale proceeds of the Series 2010 Certificate plus the expected earnings thereon (estimated on the Issue Date) based upon the issuer's reasonable expectations thereof, but excludes amounts in the Lease Payment Fund to the extent satisfying paragraph 9 of the Tax Certificate, and any amount that, as of the Issue Date, are not reasonably expected to be gross proceeds of the Series 2010 Certificate but that become gross proceeds subsequent to 18 months of the Issue Date. The schedule referred to above is measured from the Issue Date: (i) at least 15% within 6 months, (ii) at least 60% within 12 months and (iii) 100% within 18 months. An issue does not fail to meet the third spending period requirement of 100% if such failure is due to reasonable retainage, meaning an amount not to exceed 5% of the net sale proceeds of the Series 2010 Certificate that is retained for reasonable business purposes relating to the financed property (such as retainage to insure or promote compliance with a construction contract). Any failure to satisfy the final spending requirement is disregarded if the issuer exercises due diligence to complete the 2010 Project and the amount of the failure does not exceed the lesser of 3% of the issue price of the Series 2010 Certificate or \$250,000. Please note that this eighteen month rebate exception will not affect any portion of the Series 2010 Certificate which is treated as meeting the Two Year Rebate Exception discussed immediately below.

(d) **Two Year Spending Exception.**

Notwithstanding the requirements of Section 1 hereof, if all available construction proceeds of the Series 2010 Certificate are allocated to expenditures in accordance with the following requirements, the rebate requirements of Section 1 shall not apply to such Certificate proceeds (only). In order for the exception to the rebate requirements of this Section 2(d) to apply, the issuer must spend at least 10% of the available construction proceeds of the Series 2010 Certificate within 6 months after the date hereof, at least 45% of the available construction proceeds within 12 months from the date hereof, at least 75% of the available construction proceeds within 18 months from the date hereof, at least 95% of the available construction proceeds within 24 months from the date hereof, and 100% of the available construction proceeds within 36 months from the date hereof; provided, however, that the final 5% (the difference between the 95% requirement at 24 months and the 100% requirement at 36 months) may be comprised of only reasonably required retainage (e.g., to comply with the terms of construction contracts). If the final 5% does not represent reasonably required retainage, then in order to meet the requirements of this paragraph, 100% of the available construction proceeds must be spent within 2 years from the date hereof. Any failure to satisfy the final spending requirement is disregarded if issuer exercises due diligence to complete the 2010 Project and the amount of the failure does not exceed the lesser of (i) 3% of the issue price of the Series 2010 Certificate, or (ii) \$250,000.

For this purpose, "available construction proceeds of the Series 2010 Certificate" means the Series 2010 Certificate proceeds (excluding accrued interest and earnings thereon) to be used for construction purposes plus total earnings thereon (estimated on the Issue Date) based upon the issuer's reasonable expectations for the first three periods and actual earnings for the final period (unless the issuer elects, on the Issue Date, to use actual facts). Such term does not include proceeds (but does include earnings thereon) held to pay issue costs of the Series 2010 Certificate; provided, however, that if the expenditure requirements are met and issuance costs are expended by the end of the fourth spending period, those proceeds are considered to have met the rebate requirement. Earnings on a reasonably required reserve fund if such fund meets the requirements of Code § 148(d), but not the reserve fund itself are available construction proceeds only to the extent that those earnings accrue before the earlier of the date construction of the 2010 Project is substantially completed or the date that is two years after the Issue Date. The issuer may elect on or before the Issue Date to exclude from available construction proceeds the earnings on such a fund. If this election is made, the rebate requirement applies to the excluded amounts from the Issue Date. Proceeds spent for capitalized interest on the Series 2010 Certificate, if any, are included as available construction proceeds, but such proceeds do include proceeds held in the Lease Payment Fund, to the extent such fund meets the requirements of Paragraph 9 of the Tax Certificate. The prepayment of items will generally be insufficient to satisfy the foregoing spending requirements.

In addition, the exception to the rebate requirements described in this Section 2(d) (the "Two Year Rebate Exception") shall apply only if the issuer reasonably expects, as of the Issue Date (unless the issuer elects on or before the date hereof to use actual facts) that at least 75% of the available construction proceeds of the Series 2010 Certificate shall be allocated to construction expenditures with respect to property owned by a governmental unit or a 501(c)(3) organization (a "construction issue"); for this purpose, the term "construction expenditures" includes capital expenditures that are allocable to the cost of real property or constructed personal property and does not include expenditures for acquisition of interests in land or other existing real property. If any proceeds of the Series 2010 Certificate are to be used for construction expenditures, the issuer may elect on or before the Issue Date to treat the Series 2010 Certificate as two, and only two, separate issues, if a) one of the two separate issues is a construction issue, b) the issuer reasonably expects, as of the Issue Date, that this construction issue will finance all of the construction expenditures to be financed by the Series 2010 Certificate, and c) the issuer, as part of the election, identifies the amount of the issue price of the Series 2010 Certificate allocable to the construction issue.

If the Series 2010 Certificate fails to meet the expenditure requirements described in paragraph (d) of this Section 2 above, the rebate requirements of the first paragraph of Section 1 (the "Rebate Requirements") shall apply to the Series 2010 Certificate as of the date hereof, unless the issuer elects to pay a penalty as described in Code § 148(f)(4)(C)(vii), equal to 1-1/2% of the available construction proceeds not spent as required under the expenditure requirements set forth above. Any penalties owed by the issuer once the election to pay a penalty is made must be deposited with the Internal Revenue Service within 90 days of the end of the relevant semiannual period. Any elections made under this Section 2(d) shall be made on the date hereof on the Tax Certificate. The penalty election described above may be revoked only within 90 days after the earliest of the end of the initial temporary period (three years from the date hereof) or the date on which the 2010 Project is substantially completed, by paying a

termination penalty as described in Code § 148(f)(4)(C)(viii), or the issuer may revoke the penalty election under certain other circumstances pursuant to Code § 148(f)(4)(C)(ix) if such revocation is prior to the end of construction of the 2010 Project. To the extent the penalty election in Code § 148(f)(4)(C)(vii) is made, the Rebate Procedures described in Section 4 hereof shall be modified by the procedures described in this Section 2(d). The Board has not elected the penalty provisions.

(c) **Effect of Prepayments.**

In determining whether gross proceeds have been properly allocated to expenditures, a prepayment is treated as an investment, and not as an expenditure, if a principal purpose for prepaying is to receive an investment return from the time the prepayment is made until the time payment otherwise would be made. However, a prepayment is treated as an expenditure, and not as an investment, if the prepayments on substantially the same terms are made by a substantial percentage of persons who are similarly situated to that issuer but who are not beneficiaries of tax-exempt financing.

(d) **Spending Exceptions Not Mandatory.**

The six month, eighteen month and two year spending exceptions are not mandatory. For example, in computing the rebate requirements with respect to investments allocable to gross proceeds of the Series 2010 Certificate or to any subsequently arising gross proceeds of the Series 2010 Certificate, you may include investments allocable to gross proceeds of the Series 2010 Certificate even if a spending exception applies.

(e) **Accounting for Expenditures.**

For purposes of the spending exceptions, and for purposes of determining the dates of receipts on nonpurpose investments for the purposes described in this Memorandum, you may use any reasonable accounting method for allocating funds from different sources to expenditures, including any of the following methods if consistently applied: a specific tracing method; a gross proceeds spent first method; a first-in, first-out method; or a ratable allocation method. However, an allocation of gross proceeds of the Series 2010 Certificate to an expenditure must involve a current outlay of cash occurring not later than five banking days after the date as of which the allocation of gross proceeds to the expenditure is made. You must account for the allocation of proceeds to expenditures not later than 18 months after the later of the date the expenditure is paid or the date a project is placed in service. This allocation must be made in any event by the date 60 days after the First Required Payment Date (as defined in this Memorandum). If you do not maintain books and records sufficient to establish that a particular allocation method was used, you will be deemed to have used a specific tracing method.

3. **Universal Cap.**

Nonpurpose investments are allocable to the Series 2010 Certificate (and remain so allocated) only to the extent that the aggregate value of the nonpurpose investments (determined as described in Section 4(c)(4) of the Memorandum) does not exceed the aggregate value of the outstanding Certificates. The aggregate value of the outstanding Certificates is referred to as the

“universal cap.” The universal cap must be determined and applied (i) as of the first day of each bond year that begins after the second anniversary of the Issue Date, and (iii) on any date on which the Series 2010 Certificate is refunded. As of each such date, the value of nonpurpose investments allocable, under a ratable or representative method, to amounts, if any, exceeding the universal cap, will be treated as a receipt as described in Section 4(c)(2) of this Memorandum, and such nonpurpose investments will no longer be allocable to gross proceeds of the Series 2010 Certificate (subject, however, to reallocation on a subsequent determination date to other certificates or to the Series 2010 Certificate, if such nonpurpose investments are described in Section 1 of this Memorandum and the universal cap is not then exceeded). For this purpose, nonpurpose investments cease to be allocated to gross proceeds of the Series 2010 Certificate in the following order of priority (and are reallocated in the reverse order): first, nonpurpose investments allocable to replacement proceeds; second, nonpurpose investments allocable to transferred proceeds; and third, nonpurpose investments allocable to sale proceeds and investment proceeds.

4. Computation of Rebate Amount.

(a) Yield on the Certificate.

(1) Single Yield Period.

The yield on the Series 2010 Certificate is computed for a single period beginning immediately after the close of business on the Issue Date hereof and ending on the final maturity date of the Series 2010 Certificate and is not required to be recomputed unless (a) a qualified hedge (as defined in (3) below) is in effect with respect to the Series 2010 Certificate, or (b) a hedge is terminated with respect to the Series 2010 Certificate pursuant to Treasury Regulation Section 1.148-4(h)(4)(iii)(B), or (c) a transfer, waiver, modification or similar transaction of any right that is part of the terms of the Series 2010 Certificate occurs separate and apart from the original sale of the Series 2010 Certificate, as described in Treasury Regulations Section 1.148-4(b)(4). If these exceptions apply, the yield must be recomputed as provided in such regulations.

(2) Computation of Yield.

The yield on the Series 2010 Certificate is the discount rate that, when used in computing the present value as of the Issue Date of all unconditionally payable payments of principal, interest, and fees for qualified guarantees on the Series 2010 Certificate, if any, produces an amount equal to the present value, using the same discount rate, of the issue price of the Series 2010 Certificate as of the Issue Date. The computation of yield must take into account certain mandatory or contingent early redemptions, or optional early redemptions, as described in Treasury Regulations Section 1.148-4(b)(2) and (3), and in the case of the Series 2010 Certificate is determined by assuming the Series 2010 Certificate will be retired at par on the final maturity date or pursuant to mandatory redemption requirements and will not be called for optional redemption. Yield is computed under the economic accrual method using a consistently applied compounding interval of not more than one (1) year, calculated to at least four (4) decimal places, and based upon standard financial conventions (such as the thirty (30) days per month/three hundred sixty (360) day per year convention). The issue price of the Series 2010

Certificate consists of the aggregate of the initial public offering prices (the proceeds of which are being used to purchase the Series 2010 Certificate) allocated to the Series 2010 Certificate by the purchaser thereof. For this purpose, yield on the Series 2010 Certificate is 2.933146%, computed as set forth in the Tax Certificate.

(3) Qualified Hedging Transactions.

Any payments made or received under a qualified hedge, such as a qualified interest rate swap, are taken into account in computing the yield on the Series 2010 Certificate as described above. A qualified hedge is a contract that satisfies each of the following requirements: (i) the contract is entered into primarily to modify the issuer's risk of interest rate changes with respect to the Series 2010 Certificate; (ii) the contract does not contain a significant investment element; (iii) the contract is entered into between the issuer and a provider that is not a related party; (iv) the contract covers, in whole or in part, all of one or more groups of substantially identical certificates of the Series 2010 Certificate (i.e., all of the Series 2010 Certificate having the same interest rate, maturity and terms); (v) the contract is primarily interest based; (vi) the payments received by the issuer from the hedge provider under the contract correspond closely in time to either the specific payments being hedged on the Series 2010 Certificate or specific payments required to be made pursuant to the financing documents for the Series 2010 Certificate, regardless of the hedge, to a sinking fund, debt service fund, or similar fund maintained for the Series 2010 Certificate; (vii) payments must not begin to accrue under the contract on a date earlier than the issue date of the hedged Certificates and must not accrue longer than the hedged interest payments on the hedged Certificates; and (viii) the contract must be identified by the issuer on its books and records maintained for the hedged Certificates not later than three days after the date on which the parties enter into the contract. Each of these requirements is more particularly described at Treas. Reg. §1.148-4(h)(2).

(b) Allocation of Nonpurpose Investments and Certificate Proceeds.

Nonpurpose investments must be allocated to the gross proceeds of the Series 2010 Certificate as described in Section 4(b)(1). Gross proceeds of the Series 2010 Certificate must be allocated to expenditures (i.e. treated as spent and no longer subject to the rules in this Memorandum) as described in Section 4(b)(2).

(1) Allocation of Nonpurpose Investments to Gross Proceeds of the Certificate.

Nonpurpose investments are allocated to gross proceeds of the Series 2010 Certificate pursuant to Treasury Regulations Section 1.148-6 which allows an issuer to use any reasonable, consistently applied accounting method (which does not fail to be reasonable and consistently applied solely because a different accounting method is used for a bona fide governmental purpose to consistently account for a particular item). Gross proceeds of the Series 2010 Certificate include the sale proceeds, investment proceeds, transferred proceeds, and replacement proceeds, as defined in Treasury Regulations Section 1.148-1(b) and (c). In general, nonpurpose investments are allocable to the gross proceeds of the Series 2010 Certificate when purchased with the Certificate proceeds. Nonpurpose investments cease to be allocable to the Series 2010 Certificate only when the Certificate proceeds are allocated to an expenditure (as

described in Section 4(b)(2) below), are allocated to transferred proceeds of another issue, or at retirement of the Series 2010 Certificate or pursuant to the universal cap described in Treasury Regulations Section 1.148-6(b)(2). Upon the purchase or sale of a nonpurpose investment, gross proceeds of the Series 2010 Certificate are not allocated to a Nonpurpose Payment in an amount greater than, or to a Nonpurpose Receipt in an amount less than, the fair market value of the nonpurpose investment as of the purchase or sale date (for this purpose only, the fair market value of a nonpurpose investment is adjusted to take into account qualified administrative costs allocable to the investment). In general, the fair market value of a nonpurpose investment is the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction. Fair market value generally is determined on the date on which a contract to purchase or sell the nonpurpose investment becomes binding (i.e. the trade date rather than the settlement date). Except as provided below, a nonpurpose investment that is not of a type traded on an established securities market (within the meaning of Section 1273 of the Code), is rebuttably presumed to be acquired or disposed of for a price that is not equal to its fair market value. The fair market value of a United States Treasury obligation that is purchased directly from the United States Treasury is its purchase price. The following are "safe harbor" provisions for compliance with the fair market value requirements herein with respect to particular types of nonpurpose investments:

(A) Certificates of Deposit.

Any certificate of deposit which has a fixed interest rate, a fixed payment schedule, and a substantial penalty for early withdrawal is treated as purchased for fair market value if the yield on the certificate of deposit is not less than (i) the yield on reasonably comparable direct obligations of the United States, and (ii) the highest yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public.

(B) Guaranteed Investment Contracts and Investments Purchased for Yield Restricted Defeasance Escrows.

The purchase price of a guaranteed investment contract (which includes any nonpurpose investment that has specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate, and also includes any agreement to supply investments on two or more future dates, e.g., a forward supply contract) and the purchase price of an investment purchased for a yield restricted defeasance escrow is treated as its fair market value of the investment if all of the following requirements are satisfied:

(1) The issuer makes a bona fide solicitation for the purchase of the investment. A bona fide solicitation is a solicitation that satisfied all of the following requirements:

(i) The bid specifications are in writing and are timely forwarded to potential providers.

(ii) The bid specifications include all material terms of the bid. A term is material if it may directly or indirectly affect the yield or the cost of the investment.

(iii) The bid specifications include a statement notifying potential providers that submission of a bid is a representation that the potential provider did not consult with any other provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the issuer or any other person (whether or not in connection with the Certificate issue), and that the bid is not being submitted solely as a courtesy to the issuer or any other person for purposes of satisfying the requirements of paragraph (2)(i) or (ii) below.

(iv) The terms of the bid specifications are commercially reasonable. A term is commercially reasonable if there is a legitimate business purpose for the term other than to increase the purchase price or reduce the yield of the investment. For example, for solicitations of investments for a yield restricted defeasance escrow, the hold firm period must be no longer than the issuer reasonably requires.

(v) For purchases of guaranteed investment contracts only, the terms of the solicitation take into account the issuer's reasonably expected deposit and drawdown schedule for the amounts to be invested.

(vi) All potential providers have an equal opportunity to bid. For example, no potential provider is given the opportunity to review other bids (i.e., a last look) before providing a bid.

(vii) At least three reasonably competitive providers are solicited for bids. A reasonably competitive provider is a provider that has an established industry reputation as a competitive provider of the type of investments being purchased.

(2) The bids received by the issuer meet all of the following requirements:

(i) The issuer receives at least three bids from providers that the issuer solicited under a bona fide solicitation meeting the requirements of paragraph (1) above and that do not have a material financial interest in the Series 2010 Certificate. The lead underwriter is deemed to have a material financial interest in the Series 2010 Certificate until 15 days after the Issue Date. In addition, any entity acting as a financial advisor with respect to the purchase of the investment at the time the bid specifications are forwarded to potential providers has a material financial interest in the Series 2010 Certificate. A provider that is a related party to a provider that has a material financial interest in the Series 2010 Certificate is deemed to have a material financial interest in the Series 2010 Certificate.

(ii) At least one of the three bids described in subparagraph (i) above is from a reasonably competitive provider, within the meaning of paragraph (1)(vii) above.

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

(3) The winning bid meets the following requirements:

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

(ii) Other Investments in a Yield Restricted Defeasance Escrow. If the investment is not a guaranteed investment contract, the following requirements are met:

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

(B) The lowest cost bona fide bid (including any broker's fees) is not greater than the cost of the most efficient portfolio comprised exclusively of State and Local Government Series Securities from the United States Department of the Treasury, Bureau of Public Debt. The cost of the most efficient portfolio of State and Local Government Series Securities is to be determined at the time that bids are required to be submitted pursuant to the terms of the bid specifications.

(C) If State and Local Government Series Securities from the United States Department of the Treasury, Bureau of Public Debt are not available for purchase on the day that bids are required to be submitted pursuant to terms of the bid specifications because sales of those securities have been suspended, the cost comparison under (B) above is not required.

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

(5) The issuer retains the following records with the Certificate documents until three years after the last outstanding Certificates are redeemed:

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

(ii) The receipt or other record of the amount actually paid by the issuer for the investments, including a record of any administrative costs paid by the issuer, and the certification under paragraph (4) above.

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

(iv) The bid solicitation form and, if the terms of the purchase agreement or the guaranteed investment contract deviated from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose for the deviation. For example, if the issuer purchases a portfolio of investments for a yield restricted defeasance escrow and, in order to satisfy the yield restriction requirements of Section 148 of the Code, an investment in the winning bid is replaced with an investment with a lower yield, the issuer must retain a record of the substitution and how the price of the substitute investment was determined. If the issuer replaces an investment in the winning bid portfolio with another investment, the purchase price of the new investment is not covered by the safe harbor unless the investment is bid under a bidding procedure meeting the requirements of this subsection (B).

(v) For purchases of investments other than guaranteed investment contracts, the cost of the most efficient portfolio of State and Local Government Series Securities, determined at the time that the bids were required to be submitted pursuant to the terms of the bid specifications.

(C) United States Treasury Obligations.

The fair market value of a United States Treasury obligation that is purchased directly from the United States Treasury (e.g., United States Treasury Obligations - State and Local Government Series ("SLG")) is the purchase price. There are no provisions in the current 1993 Regulations setting forth a safe harbor for the fair market value of a United States Treasury obligation that is purchased other than directly from the United States Treasury and which is not in a yield restricted defeasance escrow (as defined in Treas. Reg. Section 1.148-5(d)(6)). However, the fair market value of a United States Treasury Obligation that is purchased other than directly from the United States Treasury and which is not in a yield restricted defeasance escrow meeting the following rules should be deemed to be the price of such obligation as of the purchase date if: (i) the issuer conducts in good faith a solicitation for the purchase of such Treasury obligations that meets the requirements described in (D) below and receives at least three bona fide bids from providers that have no material financial interest in the issue (underwriter and financial advisors are considered to have a material financial interest for this purpose), (ii) the issuer purchases the highest-yielding United States Treasury obligations for which a qualifying bid is made, (iii) the yield on the Treasury obligations purchased is not significantly less than the yield then available from the provider on reasonably comparable Treasury obligations offered to other persons for purchase on terms comparable to those offered to the issuer from a source of funds other than gross proceeds of tax-exempt obligations, (iv) in no event is the yield on any Treasury obligation purchased less than the highest yield then available on a SLG with the same maturity, and (v) the terms of the agreement to purchase the Treasury obligations are reasonable.

(D) Bidding Requirements. A solicitation for United States Treasury obligations is within this paragraph (d) if (i) any agent used by the issuer to conduct the bidding process does not bid to provide the investment, (ii) all bidders have equal opportunity to

bid so that, for example, no bidder is given the opportunity to review other bids (a last look) before bidding, and (iii) all bidders are reasonably competitive providers of investments of the type purchased.

(2) Allocation of Gross Proceeds of the Series 2010 Certificate to Expenditures.

Gross proceeds are allocated to expenditures (i.e. such proceeds cease to be subject to the rebate rules of this Memorandum) pursuant to any reasonable, consistently applied accounting method. Such methods include the following methods consistently applied: a specific tracing method, a gross-proceeds-spent-first method, a first-in, first-out method, or a ratable allocation method; provided the allocation must involve a reasonably current outlay of cash and must carry out a governmental purpose of the Certificate issue. For this purpose, a reasonably current outlay of cash means an outlay, by check mailed, or available funds advanced, that is reasonably expected to occur not later than 5 banking days after the allocation to the expenditure.

(c) Nonpurpose Payments and Receipts.

The Board should establish a bookkeeping system for recording all cash flows with respect to all nonpurpose investments allocated to gross proceeds of the Series 2010 Certificate (as described above in Section 4(b)(1) until such gross proceeds are allocated to expenditures (as described above in Section 4(b)(2)):

(1) Nonpurpose Payments.

Nonpurpose Payments are (a) amounts actually or constructively paid to acquire a nonpurpose investment, (b) the value of a nonpurpose investment on a date the investment becomes allocable to the Series 2010 Certificate if the date is after the date the investment is actually acquired by the issuer, (c) the value of a nonpurpose investment at the beginning of a computation period allocated to the Series 2010 Certificate at the end of a preceding computation date, (d) on the last day of a bond year during which there are amounts allocated to the Series 2010 Certificate that are subject to the rebate requirements, and on the final maturity date, a computation credit of one thousand dollars (\$1,000), and (e) any yield reduction payment pursuant to Treasury Regulations Section 1.148-5(c) or payment of a Rebate Amount to the United States pursuant to this Memorandum. For this purpose, value shall be determined as described in Treasury Regulations Section 1.148-5(d).

(2) Nonpurpose Receipts.

Nonpurpose Receipts are (a) amounts actually or constructively received from a nonpurpose investment, such as earnings and return of principal, (b) for a nonpurpose investment that ceases to be allocated to the Series 2010 Certificate before its disposition or redemption date (or that ceases to be subject to the rebate requirements on an earlier date), the value of the nonpurpose investment on that date, and (c) for a nonpurpose investment that is held at the end of a computation period, the value of that investment at the end of that period. For this purpose, value shall be determined as described in Treasury Regulations Section 1.148-5(d).

(3) Administrative Costs.

Nonpurpose Payments and Nonpurpose Receipts do not include any costs or expenses paid, directly or indirectly, to purchase, carry, sell, or retire the investment (i.e. administrative costs) except if such costs are qualified administrative costs. Qualified administrative costs increase the payments for Nonpurpose Payments or decrease the receipts from Nonpurpose Receipts, and are reasonable, direct administrative costs, other than carrying costs, such as separately stated brokerage or selling commissions, but not legal and accounting fees, record keeping, custody, and similar costs. General overhead costs and similar indirect costs such as employee salaries and office expenses and costs associated with computing the rebate amount are not qualified administrative costs. In general, administrative costs are not reasonable unless they are comparable to administrative costs that would be charged for the same investment or a reasonably comparable investment if acquired with a source of funds other than gross proceeds of tax-exempt Certificates. Qualified administrative costs also include all reasonable administrative costs incurred by regulated investment companies and certain external commingled funds as described in Treasury Regulations Section 1.148-5(e)(2)(ii).

(4) Value of Investments.

The value of an investment (including a payment or receipt on the investment) on a date must be determined using one of the following valuation methods:

(i) Outstanding Principal Amount. A “plain par investment” may be valued at its outstanding stated principal amount, plus any accrued unpaid interest. A “plain par investment” is defined in the Arbitrage Regulations and generally includes any conventional investment not issued with an original issue discount or premium exceeding 2 percent or acquired with a market discount or premium exceeding 2 percent.

(ii) Present Value. A fixed rate investment may be valued at its present value. Yield-restricted investments must be valued at their present value.

(iii) Fair Market Value. Except for yield-restricted investments, any investment may be valued at its fair market value, as more particularly described in Section 4(c)(6) below.

(5) Commingled Funds.

Nonpurpose investments allocable to the Series 2010 Certificate invested in a commingled fund must meet the requirements of Treasury Regulations Section 1.148-6(e).

(6) Fair Market Limit.

Nonpurpose Payments may not be in an amount greater than the fair market value of the nonpurpose investment, and Nonpurpose Receipts may not be in an amount less than the fair market value of the nonpurpose investment, as of the purchase or sale dates respectively, as described above in Treasury Regulations Section 3 (b)(1).

5. **Rebate Procedures.**

(a) **Computation Dates.**

The procedures for satisfying the statutory rebate requirements under Section 148(f) of the Code described in Section 1 above are set forth in Treasury Regulations Sections 1.148-0 through -11, as amended (the "1993 Regulations"). In order (i) to satisfy the minimum procedural requirements of the 1993 Regulations¹ and (ii) to ensure that sufficient monies will be available when needed to make the required payments to the United States, you should make a provisional calculation of the amount required to be paid to the United States as of the close of business on the last day of each bond year,² and deposit to the Rebate Fund the amount necessary to cause the amount on deposit therein to be equal to the amount required to be paid to the United States as of such date.

Under the Code and the 1993 Regulations, payments to the United States are required to be made in installments, the first of which is to be calculated as of any date within five (5) years of the Issue Date (the "First Calculation Date"), and paid within sixty (60) days of such calculation. Each subsequent installment is to be calculated on as of any date within five (5) years of the First Calculation Date or the next preceding calculation date, and any rebate owed paid within sixty (60) days of such subsequent calculation date.

The final payment to the United States is required to be made no later than sixty (60) days after the date on which the Series 2010 Certificate is discharged. The amount of the final payment is computed as of the date on which the Series 2010 Certificate is discharged (the "Final Computation Date").

(b) **Payments to the United States.**

(1) **Amount of Payments.**

A rebate installment payment must be in an amount that, when added to the future value, as of any computation date, of previous rebate payments made for the issue, equals at least ninety percent (90%) of the Rebate Amount as of that date. The Board must pay at least one hundred percent (100%) of the Rebate Amount within sixty (60) days of the Final Computation Date to the United States.

(2) **Where and How to Make Payments.**

Each payment to the United States should be filed with the Internal Revenue Service Center, Ogden, Utah 84201, accompanied by Form 8038-T.

(c) **Record Keeping.**

The Board should retain records of the foregoing procedures and determinations until at least six (6) years after the retirement of the last obligation of the Certificate.

6. **Modification of Requirements.**

A requirement or a procedure of this Memorandum need not be observed if the Board receives an opinion of a nationally recognized bond counsel, in form and substance reasonably satisfactory to the Board, that the failure to observe the requirements or the procedures set forth in this Memorandum will not cause the Series 2010 Certificate to become arbitrage bonds under Section 148 of the Code or otherwise adversely affect the exclusion of interest on the Series 2010 Certificate from the gross income of the owners thereof for purposes of Federal income taxation. Conversely, it may become necessary in the future to follow additional or modified procedures described in writing by a nationally recognized bond counsel or the Internal Revenue Service in order to ensure that the interest on the Series 2010 Certificate will not be included in gross income for purposes of Federal income taxation.

¹The 1993 Regulations require computations no later than five (5) years after the Issue Date, when an installment payment to the United States becomes due. However, annual computations are generally advisable and may be required by accounting standards relating to disclosure of contingent liabilities.

²A Bond Year is the one (1)-year period (or shorter period beginning on the Issue Date) ending at the close of business on the date of each year designated as the last day of each Bond Year (the first of which must end within one (1) year of the Issue Date).