

PRELIMINARY OFFERING STATEMENT DATED NOVEMBER __, 2010

NEW ISSUE: BOOK ENTRY ONLY

RATINGS:

See "RATINGS" herein.

In the opinion of Greenberg Traurig P.A., and KnoxSeaton, Co-Special Tax Counsel to the School Board, assuming continuing compliance with certain tax covenants and the accuracy of certain representations of the School Board, under existing statutes, regulations, rulings and court decisions, the portion of the Basic Lease Payments designated and paid as interest to the Series 2010B Certificate holders will be excludable from gross income for federal income tax purposes. The portion of the Basic Lease Payments designated and paid as interest to the Series 2010B Certificate holders will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations and such interest will not be taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. However, no opinion is expressed with respect to the federal income tax consequences of any payments received with respect to the Series 2010B Certificates following termination of the Master Lease as a result of non-appropriation of funds or the occurrence of an event of default thereunder. See "TAX TREATMENT" herein for a description of certain other federal tax consequences of ownership of the Series 2010B Certificates. Co-Special Tax Counsel are further of the opinion that the Series 2010B Certificates and the portion of the Basic Lease Payments designated and paid as interest to the owners of the Series 2010B Certificates will not be subject to taxation under the laws of the State of Florida, except as to estate taxes and taxes under Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations as defined therein; provided, however, that no opinion is expressed with respect to tax consequences under the laws of the State of Florida of any payments received with respect to the Series 2010B Certificates following termination of the Master Lease as a result of non-appropriation of funds or the occurrence of an event of default thereunder.

\$300,000,000.00*

**CERTIFICATES OF PARTICIPATION, SERIES 2010B
Evidencing Undivided Proportionate Interests of the
Owners Thereof In Basic Lease Payments To Be Made By
THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA,
As Lessee, Pursuant To A Master Lease Purchase Agreement
With Broward School Board Leasing Corp., As Lessor**

Dated: Date of Delivery

Due: July 1, _____*

The Certificates of Participation, Series 2010B (the "Series 2010B Certificates") evidence undivided proportionate interests in Basic Lease Payments (defined herein) to be made by The School Board of Broward County, Florida (the "School Board"), acting as the governing body of the School District of Broward County, Florida (the "District") pursuant to a Master Lease Purchase Agreement, dated as of July 1, 1990, as amended as of December 20, 2000 (collectively, the "Master Lease"), as supplemented by (i) Amended and Restated Schedule No. 1991A-1 dated as of December 1, 2010 (together with the Master Lease, the "Series 1991A-1 Lease"); (ii) Amended and Restated Schedule No. 1992A-1 dated as of December 1, 2010 (together with the Master Lease, the "Series 1992A-1 Lease"); (iii) Amended and Restated Schedule No. 2001A-1 dated as of December 1, 2010 (together with the Master Lease, the "Series 2001A-1 Lease") and (iv) Amended and Restated Schedule No. 2001B-1 dated as of December 1, 2010 (together with the Master Lease, the "Series 2001B-1 Lease"). The Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease and the Series 2001B-1 Lease are entered into by and between the Broward School Board Leasing Corp., a single-purpose not-for-profit Florida corporation created by the School Board (the "Corporation"), as lessor, and the School Board, as lessee. The Series 2010B Certificates are being issued, to refund all of the outstanding Series 1997A Refunding Certificates of Participation and Series 1997B Refunding Certificates of Participation, and to refund a portion of the Series 2001A Certificates of Participation and Series 2001B Certificates of Participation (hereinafter defined and referred together as the "Refunded Certificates"), and to pay certain costs of issuance of the Series 2010B Certificates. See "REFUNDING PLAN" herein. The Corporation has assigned substantially all of its interest in the Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease and the Series 2001B-1 Lease to the Trustee. See "THE MASTER LEASE PROGRAM" herein.

The Series 2010B Certificates will be executed and delivered in fully registered form and initially will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). Individual purchases of Series 2010B Certificates will be made in denominations of \$5,000 or any integral multiple thereof. Purchasers of Series 2010B Certificates will not receive physical delivery of Series 2010B Certificates. The interest component of Basic Lease Payments represented by the Series 2010B Certificates is payable on January 1 and July 1 of each year, commencing July 1, 2011, and the principal component of such Basic Lease Payments, will be paid by U.S. Bank National Association, Miami, Florida (successor in interest to First Union National Bank of Florida), as Trustee, to Cede & Co., as nominee for DTC and registered owner of the Series 2010B Certificates. Such principal and interest payments will be subsequently disbursed to DTC participants and thereafter to the beneficial owners of the Series 2010B Certificates, all as further described in this Offering Statement. See “THE SERIES 2010B CERTIFICATES – Book-Entry-Only System” herein.

The principal portion of the Basic Lease Payments represented by the Series 2010B Certificates are subject to optional and extraordinary prepayment prior to maturity as described herein. See “THE SERIES 2010B CERTIFICATES” herein.

THE SCHOOL BOARD IS NOT LEGALLY REQUIRED TO APPROPRIATE MONEYS TO MAKE LEASE PAYMENTS (AS DEFINED HEREIN). LEASE PAYMENTS ARE PAYABLE FROM FUNDS APPROPRIATED BY THE SCHOOL BOARD FOR SUCH PURPOSE FROM CURRENT OR OTHER FUNDS AUTHORIZED BY LAW AND REGULATIONS OF THE STATE OF FLORIDA DEPARTMENT OF EDUCATION. NONE OF THE DISTRICT, THE SCHOOL BOARD, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF IS OBLIGATED TO PAY, EXCEPT FROM SCHOOL BOARD APPROPRIATED FUNDS, ANY SUMS DUE UNDER THE SERIES 1991A-1 LEASE, THE SERIES 1992A-1 LEASE, THE SERIES 2001A-1 LEASE OR THE SERIES 2001B-1 LEASE FROM ANY SOURCE OF TAXATION, AND THE FULL FAITH AND CREDIT OF THE DISTRICT, THE SCHOOL BOARD, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF IS NOT PLEDGED FOR PAYMENT OF SUCH SUMS DUE THEREUNDER. SUCH SUMS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE DISTRICT, THE SCHOOL BOARD, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

The scheduled payment of the principal and interest components represented by the Series 2010B Certificates, when due, will be guaranteed under a financial guaranty insurance policy to be issued concurrently with the delivery of the Series 2010B Certificates by [_____]. See “FINANCIAL GUARANTY INSURANCE” herein.

[Insurer Logo]

SEE THE INSIDE COVER PAGE FOR THE MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES, YIELDS AND INITIAL CUSIP NUMBERS FOR THE SERIES 2010B CERTIFICATES.

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

The Series 2010B Certificates are offered when, as and if delivered and received by the Underwriters, subject to an approving legal opinion of Co-Special Tax Counsel, Greenberg Traurig, P.A., Miami, Florida, and KnoxSeaton, Miami, Florida and certain other conditions. Certain legal matters will be passed on for the School Board and the Corporation by their counsel, Edward J. Marko, Esquire, School Board Attorney, and for the Underwriters by their Co-Counsel, Shutts & Bowen LLP, Fort Lauderdale, Florida, and the Law Offices of Steve E. Bullock, P.A., Miramar, Florida. Public Financial Management, Inc., Orlando, Florida, and Fidelity Financial Services, L.C., Hollywood, Florida, are acting as Co-Financial Advisors to the District. It is expected that the Series 2010B Certificates will be available for delivery through DTC in New York, New York on or about December __, 2010.

CITI

BofA Merrill Lynch

J.P. Morgan

Morgan Stanley

Raymond James & Associates, Inc.

Rice Financial Products Company

Dated November __, 2010

*Preliminary, subject to change.

THE SCHOOL DISTRICT OF BROWARD COUNTY, FLORIDA

Board Members[†]

Jennifer Leonard Gottlieb, Chair
Benjamin J. Williams, Vice Chair
Robin Bartleman
Maureen S. Dinnen
Phyllis C. Hope
Ann Murray
Dr. Robert D. Parks
Kevin P. Tynan, Esq.

District Officials

Superintendent of Schools

James F. Notter

Acting Deputy Superintendent, Facilities and Construction Management

Thomas Lindner

Chief Financial Officer

I. Benjamin Leong, CPA

Treasurer

Henry L. Robinson

Director of Financial Reporting

Oleg Gorokhovskiy

Director of Capital Budget

Omar Shim

School Board Attorney

Edward J. Marko, Esq.

Co-Special Tax Counsel

Greenberg Traurig, P.A.
Miami, Florida

KnoxSeaton
Miami, Florida

Co-Financial Advisors

Public Financial Management, Inc.
Orlando, Florida

Fidelity Financial Services, L.C.
Hollywood, Florida

[†] The office of District 4 Board member is vacant and will remain vacant until an election is held on November 2, 2010 and the new board member is seated on November 16, 2010.

CERTAIN OF THE INFORMATION CONTAINED HEREIN HAS BEEN OBTAINED FROM THE DISTRICT, THE STATE OF FLORIDA AND OTHER SOURCES THAT ARE BELIEVED TO BE RELIABLE. THE UNDERWRITERS HAVE PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFERING STATEMENT. THE UNDERWRITERS HAVE REVIEWED THE INFORMATION IN THIS OFFERING STATEMENT IN ACCORDANCE WITH, AND AS PART OF, THEIR RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITERS DO NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS OFFERING STATEMENT NOR ANY SALE MADE HEREUNDER SHALL CREATE, UNDER ANY CIRCUMSTANCES, ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE DISTRICT SINCE THE DATE HEREOF.

OTHER THAN WITH RESPECT TO INFORMATION CONCERNING [_____] (THE "INSURER") CONTAINED UNDER THE CAPTION "FINANCIAL GUARANTY INSURANCE" AND IN "APPENDIX F – SPECIMEN FINANCIAL GUARANTY INSURANCE POLICY" HEREIN, NONE OF THE INFORMATION IN THIS OFFERING STATEMENT HAS BEEN SUPPLIED OR VERIFIED BY THE INSURER AND THE INSURER MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO (I) THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION, (II) THE VALIDITY OF THE SERIES 2010B CERTIFICATES, OR (III) THE TAX EXEMPT STATUS OF THE INTEREST REPRESENTED BY THE SERIES 2010B CERTIFICATES.

NO DEALER, BROKER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORIZED BY THE SCHOOL BOARD OR ANY UNDERWRITER TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED IN THIS OFFERING STATEMENT, AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY ANY OF THE FOREGOING. THIS OFFERING STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, NOR SHALL THERE BE ANY SALE OF THE SERIES 2010B CERTIFICATES BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE. THE DELIVERY OF THIS OFFERING STATEMENT AT ANY TIME DOES NOT IMPLY THAT ANY INFORMATION HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO ITS DATE.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFERING STATEMENT, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS OFFERING STATEMENT, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE CAPTIONS AND HEADINGS IN THIS OFFERING STATEMENT ARE FOR CONVENIENCE ONLY AND IN NO WAY DEFINE, LIMIT OR DESCRIBE THE SCOPE OR INTENT, OR AFFECT THE MEANING OR CONSTRUCTION, OF ANY PROVISIONS OR SECTIONS IN THIS OFFERING STATEMENT. THE OFFERING OF THE SERIES 2010B CERTIFICATES IS MADE ONLY BY MEANS OF THIS ENTIRE OFFERING STATEMENT.

UPON ISSUANCE, THE SERIES 2010B CERTIFICATES WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW, AND WILL NOT BE LISTED ON ANY STOCK OR OTHER SECURITIES EXCHANGE. NEITHER

THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER INDEPENDENT FEDERAL, STATE OR GOVERNMENTAL ENTITY OR AGENCY WILL HAVE PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFERING STATEMENT OR APPROVED THE SERIES 2010B CERTIFICATES FOR SALE. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY ENTER INTO OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2010B CERTIFICATES OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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

THIS OFFERING STATEMENT SHALL NOT CONSTITUTE A CONTRACT BETWEEN THE SCHOOL BOARD OR THE UNDERWRITERS AND ANY ONE OR MORE HOLDERS OF THE SERIES 2010B CERTIFICATES.

THIS PRELIMINARY OFFERING STATEMENT IS IN A FORM DEEMED FINAL BY THE SCHOOL BOARD FOR PURPOSES OF RULE 15c2-12 PROMULGATED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, EXCEPT FOR CERTAIN INFORMATION PERMITTED TO BE OMITTED PURSUANT TO RULE 15c2-12(B)(1).

THIS OFFERING STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS EITHER IN BOUND PRINTED FORM ("ORIGINAL BOUND FORMAT") OR IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITE: WWW.MUNIOS.COM. THIS OFFERING STATEMENT SHOULD BE RELIED UPON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT OR AS PRINTED IN ITS ENTIRETY DIRECTLY FROM SUCH WEBSITE.

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OFFERING STATEMENT
relating to
\$300,000,000*
CERTIFICATES OF PARTICIPATION, SERIES 2010B
Evidencing Undivided Proportionate Interests of the
Owners Thereof In Basic Lease Payments To Be Made By
THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA,
As Lessee, Pursuant To A Master Lease Purchase Agreement
With Broward School Board Leasing Corp., As Lessor

INTRODUCTION

General

This Offering Statement, including the cover page, the inside cover page and all appendices, is provided to furnish information in connection with the sale and delivery of \$300,000,000* Certificates of Participation, Series 2010B Evidencing Undivided Proportionate Interests of the Owners Thereof in Basic Lease Payments to be Made by The School Board Of Broward County, Florida, As Lessee, Pursuant to a Master Lease Purchase Agreement With the Broward School Board Leasing Corp., as Lessor (the "Series 2010B Certificates"). See "THE SERIES 2010B CERTIFICATES" herein.

The Series 2010B Certificates are payable from Basic Lease Payments (the "Basic Lease Payments") to be made by The School Board of Broward County, Florida (the "School Board") under the Master Lease Purchase Agreement, dated as of July 1, 1990, as amended as of December 20, 2000 (collectively, the "Master Lease"), as supplemented by (i) Amended and Restated Schedule No. 1991A-1 dated as of December 1, 2010 ("Amended and Restated Schedule 1991A-1" and together with the Master Lease, the "Series 1991A-1 Lease"), amending and restating Schedule No. 1991A-1 dated as of May 15, 1991, as amended as of June 1, 1997 and June 1, 2004 (the "Original Series 1991A-1 Lease"); (ii) Amended and Restated Schedule No. 1992A-1 dated as of December 1, 2010 ("Amended and Restated Schedule 1992A-1" and together with the Master Lease, the "Series 1992A-1 Lease"), amending and restating Schedule No. 1992A-1 dated as of April 15, 1992, as amended August 15, 1995 and June 1, 1997 (the "Original Series 1992A-1 Lease"); (iii) Amended and Restated Schedule No. 2001A-1 dated as of December 1, 2010 ("Amended and Restated Schedule 2001A-1" and together with the Master Lease, the "Series 2001A-1 Lease"), amending and restating Schedule No. 2001A-1 dated as of May 1, 2001, as amended as of March 1, 2004 (the "Original Series 2001A-1 Lease"), and (iv) Amended and Restated Schedule No. 2001B-1 dated as of December 1, 2010 ("Amended and Restated Schedule 2001B-1" and together with the Master Lease, the "Series 2001B-1 Lease"), amending and restating Schedule No. 2001B-1 dated as of January 1, 2002, as amended as of May 1, 2002, August 1, 2002, June 1, 2006, and July 1, 2010 (the "Original Series 2001B-1 Lease"). The Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease and the Series 2001B-1 Lease are entered into by and between the Broward School Board Leasing

* Preliminary, subject to change.

Corp., a single-purpose not-for-profit Florida corporation created by the School Board (the “Corporation”), as lessor, and the School Board, as lessee.

The Series 2010B Certificates are being issued to refund all of the outstanding Series 1997A Refunding Certificates of Participation and Series 1997B Refunding Certificates of Participation, and a portion of the Series 2001A Certificates of Participation and the Series 2001B Certificates of Participation (together, the “Refunded Certificates”) and to pay certain costs of issuance of the Series 2010B Certificates. See “REFUNDING PLAN” herein.

The Series 2010B Certificates are being executed and delivered pursuant to a Master Trust Agreement dated as of July 1, 1990, as amended as of March 18, 1997 (collectively, the “Master Trust Agreement”) and as amended and supplemented by the Series 2010B Supplemental Trust Agreement dated as of December 1, 2010 (the “Series 2010B Supplemental Trust Agreement” and, together with the Master Trust Agreement, the “Trust Agreement”) between the Corporation and U.S. Bank National Association, Miami, Florida (as successor in interest to First Union National Bank of Florida), as trustee (the “Trustee”).

The Corporation has assigned to the Trustee substantially all of its interest in (i) the Series 1991A-1 Lease pursuant to the Series 1991A Assignment Agreement dated as of May 15, 1991 (the “Series 1991A Assignment Agreement”), (ii) the Series 1992A-1 Lease pursuant to the Series 1992A Assignment Agreement dated as of April 15, 1992 (the “Series 1992A-1 Assignment Agreement”), (iii) the Series 2001A-1 Lease pursuant to the Series 2001A Assignment Agreement dated as of May 1, 2001 (the “Series 2001A Assignment Agreement”), and (iv) the Series 2001B-1 Lease pursuant to the Series 2001B Assignment Agreement dated as of January 1, 2002 (the “Series 2001B Assignment Agreement”). The Series 2010B Certificates will be payable and secured on a pro rata basis (a) with respect to the Series 2001A-1 Lease, with the Outstanding Series 2001A Certificates, and the Series 2004B Certificates allocable to the Series 2001A-1 Lease, and (b) with respect to the Series 2001B-1 Lease, with the Outstanding Series 2001B Certificates and Series 2004B Certificates allocable to the Series 2001B-1 Lease.

The scheduled payment of the principal and interest components of Basic Lease Payments represented by the Series 2010B Certificates, when due, will be guaranteed under a financial guaranty insurance policy (the “Policy”) to be issued concurrently with the delivery of the Series 2010B Certificates by _____ (the “Insurer”). See “FINANCIAL GUARANTY INSURANCE” herein.

The School Board And The District

The District encompasses all of Broward County, Florida (the “County”) and has the second largest student enrollment in the State of Florida (the “State”) and the sixth largest in the United States. The District is the largest fully accredited school system in the nation. The District is part of the State system of public education and is governed by an elected nine-member School Board. An appointed Superintendent of Schools serves as executive officer of the District. Various federal, state and local sources of revenue are available to the District for its operating and capital needs, as more fully described under “REVENUE SOURCES OF THE DISTRICT” herein. Pursuant to State law, the School Board develops a continuous five-year

District Educational Facilities Plan (the “DEFP”) to meet the District’s school facilities needs. The DEFP is adopted by the School Board each year prior to the adoption of its annual capital outlay budget. The most recent annual update of the DEFP was approved by the School Board on [September 7, 2010 and provides for a five-year facilities plan totaling approximately \$1.3 billion, which is expected to be funded from proceeds of Prior Certificates as well as federal, State and local revenue sources]. See “THE SCHOOL BOARD AND THE DISTRICT – District Educational Facilities Plan” herein.

The Master Lease Program

Pursuant to applicable Florida law, the School Board, as the governing body of the District, entered into the Master Lease for the purpose of lease purchase financing and refinancing from time to time certain real property, educational facilities and equipment (“Facilities”) from the Corporation. The Master Lease provides that Facilities to be leased from time to time are identified on separate schedules (each a “Schedule”) attached to the Master Lease. Upon execution and delivery, each Schedule, together with the provisions of the Master Lease, constitutes a separate lease agreement (individually a “Lease” and collectively the “Leases”).

The Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease and the Series 2001B-1 Lease are four of twenty-three Leases that are in effect under the Master Lease. The School Board leases _____ schools under the Series 1991A-1 Lease (the “Series 1991A-1 Facilities”), _____ schools under the Series 1992A-1 Lease (the “Series 1992A-1 Facilities”), 7 schools and educational facilities and an office facility under the Series 2001A-1 Lease (the “Series 2001A-1 Facility Sites”), and 12 schools and educational facilities and a bus maintenance facility under the Series 2001B-1 Lease (the “Series 2001B-1 Facilities”). The School Board currently leases a total of [121 schools, consisting of 75 elementary schools, 20 middle schools, 27 high schools] and various other educational facilities, pursuant to the Master Lease. See “SECURITY FOR THE SERIES 2010B CERTIFICATES – Prior Leases and Additional Leases” and “– Prior Certificates and Additional Certificates” and “THE MASTER LEASE PROGRAM” herein.

Failure to appropriate funds to pay Lease Payments (as defined in the Master Lease) under any Lease will, and an event of default under any Lease may, result in the termination of all Leases, including the Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease and the Series 2001B-1 Lease. Upon any such termination, any proceeds of the disposition of leased Facilities (other than Facilities that are excluded from surrender under the terms of any additional Leases) will be applied to payment of the related Series of Certificates, to the extent and as provided in the Master Trust Agreement, as supplemented and amended by the related Supplemental Trust Agreement, and the related Lease, and as further described herein. Owners of Series 2010B Certificates shall only have an interest in and be entitled to proceeds resulting from the disposition of the Series 1991A-1 Facilities, the Series 1992A-1 Facilities, the Series 2001A-1 Facilities and the Series 2001B-1 Facilities, [subject to the rights of the holders of other Certificates in Leases related to Facilities that are included in the Series 1991A-1 Facilities, the Series 1992A-1 Facilities, the Series 2001A-1 Facilities or the Series 2001B-1 Facilities (the “Overlapping Facilities”). See “SERIES 1991A-1 FACILITIES, SERIES 1992A-

1 FACILITIES, SERIES 2001A-1 FACILITIES AND SERIES 2001B-1 FACILITIES” for additional information regarding the Overlapping Facilities.]. In no event will owners of Series 2010B Certificates have any interest in or right to any proceeds of the disposition of Facilities leased under any Lease other than (i) the Series 1991A-1 Lease, (ii) the Series 1992A-1 Lease, (iii) the Series 2001A-1 Lease on a pro rata basis with (a) the Series 2001A Certificates not included in the Refunded Certificates and (b) the Series 2004B Certificates allocable to the Series 2001A-1 Lease, and (iv) the Series 2001B-1 Lease on a pro rata basis with (a) the Series 2001B Certificates not included in the Refunded Certificates and (b) the Series 2004B Certificates allocable to the Series 2001B-1 Lease. Each purchaser of Series 2010B Certificates is subject to certain risks and particular attention should be given to the factors described under “RISK FACTORS” herein, which, among others, could affect the market price of the Series 2010B Certificates to an extent that cannot be determined.

The Series 1991A, Series 1992A, Series 2001A-1 and Series 2001B-1 Ground Lease

General

The School Board currently holds title to or holds a long term lease on (i) the ___ sites upon which the Series 1991A-1 Facilities are constructed (the “Series 1991A-1 Facility Sites”), (ii) the ___ sites upon which the Series 1992A-1 Facilities are constructed (the “Series 1992A Facility Sites”), (iii) the ___ sites upon which the Series 2001A-1 Facilities are constructed (the “Series 2001A-1 Facility Sites”), and (iv) the ___ sites upon which the Series 2001B-1 Facilities are constructed (the “Series 2001B-1 Facility Sites”).

The Series 1991A Ground Lease

Pursuant to the Series 1991A Ground Lease, dated as of May 15, 1991, as amended as of June 1, 2004, (the “Series 1991A Ground Lease”) between the School Board and the Corporation, the School Board leases or subleases to the Corporation the Series 1991A-1 Facility Sites for an initial term commencing on the date of delivery of the Series 1991A Ground Lease and ending on June 30, 2016 subject to Permitted Encumbrances (as defined in the Series 1991A Ground Lease). The initial term of the Series 1991A Ground Lease may be extended at the option of the Corporation for an additional five years and is subject to early termination as provided therein. See “APPENDIX C — Forms of Certain Legal Documents – Form of Series 1991A Ground Lease.”

The Series 1992A Ground Lease

Pursuant to the Series 1992A Ground Lease, dated as of April 15, 1992, as amended as of August 15, 1992, (the “Series 1992A Ground Lease”) between the School Board and the Corporation, the School Board leases or subleases to the Corporation the Series 1992A-1 Facility Sites for an initial term commencing on the date of delivery of the Series 1992A Ground Lease and ending on June 30, 2017 subject to Permitted Encumbrances (as defined in the Series 1992A Ground Lease). The initial term of the Series 1992A Ground Lease may be extended at the option of the Corporation for an additional five years and is subject to early termination as

provided therein. See “APPENDIX C — Forms of Certain Legal Documents – Form of Series 1992A Ground Lease.”

The Series 2001A-1 Ground Lease

Pursuant to the Series 2001A-1 Ground Lease, dated as of May 1, 2001, (the “Series 2001A-1 Ground Lease”) between the School Board and the Corporation, the School Board leases or subleases to the Corporation the Series 2001A-1 Facility Sites for an initial term commencing on the date of delivery of the Series 2001A-1 Ground Lease and ending on June 30, 2031 subject to Permitted Encumbrances (as defined in the Series 2001A-1 Ground Lease). The initial term of the Series 2001A-1 Ground Lease may be extended at the option of the Corporation for an additional five years and is subject to early termination as provided therein. See “APPENDIX C — Forms of Certain Legal Documents – Form of Series 2001A-1 Ground Lease.”

The Series 2001B-1 Ground Lease

Pursuant to the Series 2001B-1 Ground Lease, dated as of January 1, 2002, as amended as of May 2002, August 1, 2002, June 1, 2006, and July 2010 (the “Series 2001B-1 Ground Lease”), between the School Board and the Corporation, the School Board leases or subleases to the Corporation the Series 2001B-1 Facility Sites for an initial term commencing on the date of delivery of the Series 2001B-1 Ground Lease and ending on June 30, 2031 subject to Permitted Encumbrances (as defined in the Series 2001B-1 Ground Lease). The initial term of the Series 2001B-1 Ground Lease may be extended at the option of the Corporation for an additional five years and is subject to early termination as provided therein. See “APPENDIX C — Forms of Certain Legal Documents – Form of Series 2001B-1 Ground Lease.”

The Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease and the Series 2001B-1 Lease

Pursuant to the applicable provisions of Florida law, including particularly Florida Statutes, Chapters 1001 – 1013, the School Board has, by resolution adopted by the School Board on [REDACTED], authorized the execution and delivery of the Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease and the Series 2001B-1 Lease.

The Series 1991A-1 Lease

The Series 1991A-1 Lease, has a Lease Term that ends on June 30, 2011, unless earlier terminated as described herein. The Series 1991A-1 Facilities lease purchased by the School Board under the Series 1991A-1 Lease consist of educational facilities [phased replacements at schools within the District,] as more particularly described herein. See “THE SERIES 1991A-1 LEASE, SERIES 1992A-1 LEASE, SERIES 2001A-1 LEASE and SERIES 2001B-1 LEASE” and “THE SERIES 1991A-1 FACILITIES, SERIES 1992A-1 FACILITIES, SERIES 2001A-1 FACILITIES and SERIES 2001B-1 FACILITIES” herein.

The Series 1992A-1 Lease

The Series 1992A-1 Lease has a Lease Term that ends on June 30, 2012, unless earlier terminated as described herein. The Series 1992A-1 Facilities lease purchased by the School Board under the Series 1992A-1 Lease consist of educational facilities [phased replacements at schools within the District], as more particularly described herein. See THE SERIES 1991A-1 LEASE, SERIES 1992A-1 LEASE, SERIES 2001A-1 LEASE and SERIES 2001B-1 LEASE” and “THE SERIES 1991A-1 FACILITIES, SERIES 1992A-1 FACILITIES, SERIES 2001A-1 FACILITIES and SERIES 2001B-1 FACILITIES” herein.

The Series 2001A-1 Lease

The Series 2001A-1 Lease has a Lease Term that ends on June 30, 2026, unless earlier terminated as described herein. The Series 2001A-1 Facilities lease purchased by the School Board under the Series 2001A-1 Lease consist of educational facilities [phased replacements at schools within the District], as more particularly described herein. See THE SERIES 1991A-1 LEASE, SERIES 1992A-1 LEASE, SERIES 2001A-1 LEASE and SERIES 2001B-1 LEASE” and “THE SERIES 1991A-1 FACILITIES, SERIES 1992A-1 FACILITIES, SERIES 2001A-1 FACILITIES and SERIES 2001B-1 FACILITIES” herein.

The Series 2001B-1 Lease

The Series 2001B-1 Lease has a Lease Term that ends on June 30, 2026, unless earlier terminated as described herein. The Series 2001B-1 Facilities lease purchased by the School Board under the Series 2001B-1 Lease consist of educational facilities [phased replacements at schools within the District,] as more particularly described herein. See THE SERIES 1991A-1 LEASE, SERIES 1992A-1 LEASE, SERIES 2001A-1 LEASE and SERIES 2001B-1 LEASE” and “THE SERIES 1991A-1 FACILITIES, SERIES 1992A-1 FACILITIES, SERIES 2001A-1 FACILITIES and SERIES 2001B-1 FACILITIES” herein.

The Assignment Agreements

The Corporation has irrevocably assigned to the Trustee, for the benefit of the owners of the Series 2010B Certificates and any other Certificates representing an undivided proportionate interest in a portion of the Basic Lease Payments payable under the applicable lease (i) pursuant to the Series 1991A Assignment Agreement dated as of May 15, 1991 between the Corporation and the Trustee, substantially all of its right, title and interest in and to the Series 1991A Ground Lease and the Series 1991A-1 Lease, including the right to receive the Basic Lease Payments and all other amounts due under the Series 1991A-1 Lease, as described herein, (ii) pursuant to the Series 1992A Assignment Agreement dated as of April 15, 1992 between the Corporation and the Trustee, substantially all of its right, title and interest in and to the Series 1992A Ground Lease and the Series 1992A-1 Lease, including the right to receive the Basic Lease Payments and all other amounts due under the Series 1992A-1 Lease, as described herein, (iii) pursuant to the Series 2001A Assignment Agreement dated as of May 1, 2001 between the Corporation and the Trustee, substantially all of its right, title and interest in and to the Series 2001A-1 Ground Lease and the Series 2001A-1 Lease, on a pro rata basis with the Outstanding Series 2001A Certificates

and the Series 2004B Certificates allocable to the Series 2001A-1 Lease, including the right to receive the Basic Lease Payments and all other amounts due under the Series 2001A-1 Lease, as described herein, and (iv) pursuant to the Series 2001B Assignment Agreement dated as of January 1, 2002 between the Corporation and the Trustee, substantially all of its right, title and interest in and to the Series 2001B-1 Ground Lease and the Series 2001B-1 Lease, on a pro rata basis with the Outstanding Series 2001B Certificates and the Series 2004B Certificates allocable to the Series 2001B-1 Lease, including the right to receive the Basic Lease Payments and all other amounts due under the Series 2001B-1 Lease, as described herein, . See “APPENDIX C – Forms of Certain Legal Documents – Forms of Assignment Agreements.”

Prior Leases and Additional Leases; Prior Certificates and Additional Certificates

The School Board and the Corporation have previously entered into twenty-three Leases that are currently in effect (the “Prior Leases”), as more fully described herein under “SECURITY FOR THE SERIES 2010B CERTIFICATES – Prior Leases and Additional Leases” and “– Prior Certificates and Additional Certificates” and “THE MASTER LEASE PROGRAM.” The School Board and the Corporation may finance and refinance Facilities under Leases, in addition to the Prior Leases and the Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease and the Series 2001B-1 Lease, in the future. With respect to the Prior Leases, the Corporation has previously authorized and the Trustee has previously executed and delivered various Series of Certificates of Participation which, [as of August 31, 2010 were outstanding in the aggregate principal amount of \$1,973,228,182] (the “Prior Certificates”). The School Board and the Corporation may also cause Certificates of Participation in addition to the Prior Certificates and the Series 2010B Certificates to be issued in connection with additional Leases. The Prior Certificates, together with the Series 2010B Certificates and any additional Certificates executed and delivered under the Trust Agreement are referred to herein collectively as the “Certificates.”

[The School Board projects that no additional Certificates will be needed to finance the work program described in the current DEFP. Future DEFP plans may, however, call for the issuance of additional Certificates. See “THE SCHOOL BOARD AND THE DISTRICT-District Educational Facilities Plan” and “SECURITY FOR THE SERIES 2010B CERTIFICATES – Future Certificate Sales” for further information.]

The School Board and the Corporation have entered into, and may, in the future, also enter into lease agreements that result in the issuance of certificates of participation upon terms and conditions other than those in the Trust Agreement. The School Board has also entered into various other leases for computers, furniture, buses, other motor vehicles and other equipment that are not leased pursuant to the Master Lease, and for which no certificates of participation were issued under the Trust Agreement. No certificates of participation are currently outstanding under any lease agreement entered into by the School Board and the Corporation, other than the Certificates issued pursuant to the terms of the Trust Agreement and in connection with the delivery of the Prior Leases. See “SECURITY FOR THE SERIES 2010B CERTIFICATES – Prior Leases and Additional Leases” herein.

Miscellaneous

This Offering Statement contains brief descriptions of, among other matters, the School Board, the District, the Corporation, the Facilities financed with the Refunded Certificates, the Insurer, and the Policy, together with summaries or copies of certain provisions of the Series 2010B Certificates, the Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease and the Series 2001B-1 Lease, the Trust Agreement, the Series 1991A Ground Lease, the Series 1992A Ground Lease, the Series 2001A-1 Ground Lease, the Series 2001B-1 Ground Lease, the Series 1991A Assignment Agreement, the Series 1992A Assignment Agreement, the Series 2001A Assignment Agreement, and the Series 2001B Assignment Agreement. Such descriptions and summaries do not purport to be comprehensive or definitive. All references herein to such documents are qualified in their entirety by reference to the respective documents for a more complete description of such provisions. Copies of the documents may be obtained upon written request to the Trustee at U.S. Bank National Association, 200 South Biscayne Boulevard, Suite 1870, Miami, Florida 33131. Capitalized terms used and not otherwise defined herein will have the meanings ascribed to such terms in the legal documents entered into by the School Board or the Corporation in connection with the issuance of the Series 2010B Certificates. See “APPENDIX C – Forms of Certain Legal Documents.” This Offering Statement speaks only as of its date and the information contained herein is subject to change.

REFUNDING PLAN

The Series 2010B Certificates are being issued to refund the Refunded Certificates in order to achieve debt service savings for the District. The Refunded Certificates consist of (i) all of the Outstanding Series 1997A Refunding Certificates in the original principal amount of \$60,730,000 payable from Basic Lease Payments under the Original Series 1991A-1 Lease, (ii) all of the Series 1997B Refunding Certificates in the original principal amount of \$34,530,000 payable from Basic Lease Payments under the Original Series 1992A-1 Lease, (iii) a portion of the Series 2001A Certificates in the original principal amount of \$241,765,000 payable from Basic Lease Payments under the Original Series 2001A-1 Lease on a pro-rata basis with the allocable portion of the Series 2004B Certificates in the original principal amount of \$71,920,000, and (iv) a portion of the Series 2001B-1 Certificates payable from Basic Lease Payments under the Original Series 2001B-1 Lease, on a pro-rata basis with the allocable portion of the Series 2004B Certificates in the original principal amount of \$71,920,000.

Proceeds from the sale of the Series 2010B Certificates will be deposited into an irrevocable escrow deposit trust fund (the “Escrow Fund”) pursuant to an Escrow Deposit Agreement dated as of December 1, 2010 (the “Escrow Deposit Agreement”) between the District and _____ as escrow agent (the “Escrow Agent”), in an amount sufficient, together with investment income thereon, to pay all of the unpaid Basic Lease Payments represented by the Refunded Certificates, to _____. Pending disbursement to pay the Refunded Certificates, the Escrow Fund will be invested in direct, non-callable obligations of the United States of America (the “Government Obligations”).

THE SERIES 2010B CERTIFICATES

General

The Series 2010B Certificates will be initially dated their date of delivery and will mature in the years and principal amounts and represent interest at the rates set forth on the inside cover page of this Offering Statement. The Series 2010B Certificates will be delivered in registered form in the denominations of \$5,000 or any integral multiple thereof.

The principal portion represented by the Series 2010B Certificates due at maturity or earlier prepayment represents undivided proportionate interests in the principal portion of the Basic Lease Payments due on each of the dates set forth (i) on Amended and Restated Schedule 1991A-1 to the Master Lease, (ii) on Amended and Restated Schedule 1992A-1 to the Master Lease, (iii) on Amended and Restated Schedule 2001A-1 to the Master Lease, payable on a pro rata basis with the Outstanding Series 2001A Certificates and the Series 2004B Certificates allocable to the Series 2001A-1 Lease, and (iv) on Amended and Restated Schedule 2001B-1 to the Master Lease, payable on a pro rata basis with the Outstanding Series 2001B Certificates and the Series 2004B Certificates allocable to the Series 2001B-1 Lease. The interest portion due with respect to the Series 2010B Certificates, payable on January 1 and July 1 of each year to and including the date of maturity or earlier prepayment, whichever is earlier, commencing on July 1, 2011 (each a "Payment Date"), represents undivided proportionate interests in the interest portion of the Basic Lease Payments due on the December 15 and June 15 prior to each January 1 and July 1 of each year as set forth (i) on Amended and Restated Schedule 1991A-1 to the Master Lease, (ii) on Amended and Restated Schedule 1992A-1 to the Master Lease, (iii) on Amended and Restated Schedule 2001A-1 to the Master Lease, payable on a pro rata basis with the Outstanding Series 2001A Certificates and the Series 2004B Certificates allocable to the Series 2001A-1 Lease, and (iv) on Amended and Restated Schedule 2001B-1 to the Master Lease, payable on a pro rata basis with the Outstanding Series 2001B Certificates and the Series 2004B Certificates allocable to the Series 2001B-1 Lease, to and including the maturity or earlier prepayment of each Series 2010B Certificate.

Ownership of Certificates

The person in whose name any Series 2010B Certificate is registered upon the books of the Trustee will be treated as the absolute owner of such Series 2010B Certificate, whether such Series 2010B Certificate is overdue or not, for the purpose of receiving payment of, or on account of, the principal portion or Prepayment Price, if applicable, and interest portion of Basic Lease Payments represented by such Series 2010B Certificate and for all other purposes. All such payments so made to any such Series 2010B Certificate holder or upon his or her order will be valid and effectual to satisfy and discharge the liability upon such Series 2010B Certificate to the extent of the sum or sums so paid, and neither the Trustee, the Corporation nor the School Board will be affected by any notice to the contrary. The Series 2010B Certificates will be initially issued in book-entry-only form and registered in the name of Cede & Co., as nominee for DTC, who will be treated for all purposes as the absolute owner of the Series 2010B Certificates. See "THE SERIES 2010B CERTIFICATES –Book-Entry-Only System" herein.

Prepayment

Mandatory Sinking Fund Prepayment

The Series 2010B Certificates maturing on July 1, 20__ are subject to mandatory prepayment prior to maturity in part, from payments of the principal portion of Basic Lease Payments as set forth in the Series 1991A-1 Lease, Series 1992A-1 Lease, Series 2001A-1 Lease and Series 2001B-1 Lease through the operation of a sinking fund on each July 1 in the years and in the following amounts set forth below at a Prepayment Price of par plus the interest accrued to the Prepayment Date.

Year (July 1)	Principal Amount
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*

* Maturity

Optional Prepayment

The Series 2010B Certificates maturing on or after January 1, 2022 are subject to prepayment in whole or in part on or after January 1, 2021, if the School Board elects to prepay the principal portion of Basic Lease Payments due under the Series 2001A-1 Lease or the Series 2001B-1 Lease allocable to the Series 2010B Certificates.

Extraordinary Prepayment

The Series 2010B Certificates are not subject to extraordinary prepayment[, except that, at the election of the Insurer, Series 2010B Certificates are subject to prepayment in whole at any time from funds provided by the Insurer, at a Prepayment Price of par plus the interest accrued to the Prepayment date, if the Lease Term of all Leases is terminated for the reasons referred to in Section 4.1(b) or (c) of the Master Lease.]

Selection of Series 2010B Certificates for Prepayment; Notice of Prepayment.

If less than all of the Series 2010B Certificates are called for prepayment, the particular Series 2010B Certificates or portions thereof to be prepaid will be in multiples of Authorized Denominations. The particular Series 2010B Certificates or portions thereof to be prepaid will be selected by lot by the Trustee in such manner as the Trustee deems fair and appropriate. In selecting portions of such Series 2010B Certificates for prepayment, the Trustee will treat each such Series 2010B Certificate as representing that number of Series 2010B Certificates in Authorized Denominations which is obtained by dividing the principal amount of such Series 2010B Certificates to be prepaid in part, by the applicable Authorized Denomination.

DTC Procedures. Investors should note that while DTC is the registered owner of the Series 2010B Certificates, partial prepayments of the Series 2010B Certificates will be determined in accordance with DTC's procedures. The School Board intends that prepayment allocations made by DTC, the DTC Participants or such other intermediaries that may exist between the School Board and the Beneficial Owners of the Series 2010B Certificates be made in accordance with the method of selection of Series 2010B Certificates for a partial prepayment described above. However, the selection of the Series 2010B Certificates for prepayment in DTC's book-entry only system is subject to DTC's practices and procedures as in effect at the time of any such partial prepayment. The School Board can provide no assurance that DTC or the DTC Participants or any other intermediaries will allocate prepayments among Beneficial Owners in accordance with the method of selection of Series 2010B Certificates for a partial prepayment described above.

So long as the Series 2010B Certificates are issued in book-entry-only form, notice of prepayment will be mailed, postage prepaid, not less than 30 days before the Prepayment Date (not less than five days nor more than ten days before the Prepayment Date in the case of prepayment for termination of the Lease Term in certain events of non-appropriation or default under any Lease, unless a different notice period is required by DTC) to Cede & Co., as nominee for DTC, and the Trustee will not mail any prepayment notice directly to the Beneficial Owners of the Series 2010B Certificates. See "THE SERIES 2010B CERTIFICATES – Book-Entry-Only System" herein.

Effect of Prepayment

If, on the Prepayment Date, moneys for the payment of the Prepayment Price of the Series 2010B Certificates or portions thereof to be prepaid are held by the Trustee and available therefor on the Prepayment Date and if notice of prepayment has been given as required, then from and after the Prepayment Date, the interest represented by the Series 2010B Certificates or the portion thereof called for prepayment will cease to accrue. If such moneys are not available on the Prepayment Date, the principal represented by such Series 2010B Certificates or portions thereof will continue to bear interest until paid at the same rate as would have accrued had it not been called for prepayment.

Book-Entry-Only System

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

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2010B Certificates. The Series 2010B Certificates will be issued as fully-registered certificates registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-

registered Series 2010B Certificate will be issued for the Series 2010B Certificates. The Series 2010B Certificates will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues and money market instruments (from over 100 countries) that DTC's Participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

So long as the book-entry only system is in effect, beneficial interests in the Series 2010B Certificates will be available in book-entry form only in Authorized Denominations. Purchasers of beneficial interests in the Series 2010B Certificates will not receive certificates representing their beneficial interests in the Series 2010B Certificates purchased.

Purchases of Series 2010B Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2010B Certificates on DTC's records. The ownership interest of each actual purchaser of each Series 2010B Certificate (the "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2010B Certificates are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in Series 2010B Certificates except in the event that use of the book-entry system for the Series 2010B Certificates is discontinued.

To facilitate subsequent transfers, all Series 2010B Certificates deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2010B Certificates with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2010B Certificates, DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2010B Certificates are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners, will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Prepayment notices shall be sent to DTC. If less than all of the Series 2010B Certificates within a series or maturity of a series are being prepaid, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such series or maturity to be prepaid.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2010B Certificates unless authorized by a Direct Participant in accordance with DTC's Money Market Instrument (MMI) Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the School Board as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2010B Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

The principal and interest components of the Basic Lease Payments represented by the Series 2010B Certificates will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Trustee on a payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC (nor its nominee), the School Board, the Corporation or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of Basic Lease Payments represented by the Series 2010B Certificates to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the School Board and the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2010B Certificates at any time by giving reasonable notice to the School Board and the Trustee.

Under such circumstances, in the event that a successor depository is not obtained, Series 2010B Certificates, as applicable, are required to be printed and delivered.

The School Board may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event Series 2010B Certificates will be printed and delivered.

In either of the situations described in the preceding two paragraphs, definitive replacement certificates shall be issued only upon surrender to the School Board and the Trustee of the Series 2010B Certificates of each maturity by DTC, accompanied by registration instructions for the definitive replacement certificates for such maturity from DTC. The School Board shall not be liable for any delay in delivery of such instructions and conclusively may rely on and shall be protected in relying on such instruction of DTC.

NONE OF THE DISTRICT, THE SCHOOL BOARD, THE CORPORATION OR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE BENEFICIAL OWNERS, DTC PARTICIPANTS OR THE PERSONS FOR WHOM DTC PARTICIPANTS ACT AS NOMINEES WITH RESPECT TO THE SERIES 2010B CERTIFICATES FOR THE ACCURACY OF THE RECORDS OF DTC, CEDE & CO. OR ANY DTC PARTICIPANT WITH RESPECT TO THE SERIES 2010B CERTIFICATES OR THE PROVIDING OF NOTICE OR PAYMENT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AND INTEREST REPRESENTED BY THE SERIES 2010B CERTIFICATES TO DTC PARTICIPANTS OR BENEFICIAL OWNERS, OR THE SELECTION OF SERIES 2010B CERTIFICATES FOR PREPAYMENT.

None of the School Board, the District, the Corporation or the Trustee can give any assurances that DTC, DTC Participants or others will distribute payments of principal or interest components represented by the Series 2010B Certificates paid to DTC or its nominee, or any prepayment or other notices, to the Beneficial Owners or that DTC will do so on a timely basis or that DTC will serve or act in a manner described in this Offering Statement.

For every transfer and exchange of beneficial interests in the Series 2010B Certificates the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other government charge that may be imposed in relation thereto.

SECURITY FOR THE SERIES 2010B CERTIFICATES

General

The Series 2010B Certificates evidence undivided proportionate interests in Basic Lease Payments made by the School Board under the Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease on a pro rata basis with the Outstanding Series 2001A Certificates and Series 2004A Certificates allocable to the Series 2001A-1 Lease, and the Series 2001B-1 Lease on a pro rata basis with the Outstanding Series 2001B Certificates and Series 2004A Certificates allocable to the Series 2001B-1 Lease. The Series 2010B Certificates are secured by and payable from the portion of the Trust Estate derived from Basic Lease Payments made under such Leases

and only to the extent that the Trustee has actually received sufficient income or proceeds from such portion of the Trust Estate to make such payments.

The Corporation will not mortgage or grant a security interest in the Series 1991A-1 Facilities, Series 1992A-1 Facilities, Series 2001A-1 Facilities or Series 2001B-1 Facilities to the Trustee. However, upon termination of the Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease, or the Series 2001B-1 Lease in certain events of non-appropriation or default, the Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease, and the Series 2001B-1 Lease provide that the School Board must surrender the Series 1991A-1 Facilities, Series 1992A-1 Facilities, Series 2001A-1 Facilities, or Series 2010B-1 Facilities subject thereto to the Trustee, as assignee of the Corporation, for disposition as provided in the Trust Agreement, and, except as otherwise described herein with respect to the exercise of remedies available under the Master Lease upon termination of the term of the Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease, or the Series 2001B-1 Lease, any proceeds of any such disposition allocable to the Series 2010B Certificates will be applied to the payment of the Series 2010B Certificates. Accordingly, upon termination of the Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease, or the Series 2001B-1 Lease in certain events of non-appropriation or default, the Trustee may not have sufficient funds to pay the Series 2010B Certificates. See “THE SERIES 1991A-1 LEASE, SERIES 1992A-1 LEASE, SERIES 2001A-1 LEASE, AND SERIES 2001B-1 LEASE – Effect of Termination for Non-Appropriation or Default” herein.

Lease Payments

All Lease Payments under the Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease, and the Series 2001B-1 Lease and all other Leases are payable solely from funds appropriated by the School Board for such purpose from funds authorized by law and regulations of the State Department of Education. Lease Payments consist of Basic Lease Payments, Additional Lease Payments, and all other amounts required to be paid by the School Board. Revenues available to the School Board for operational purposes and capital projects are described under “REVENUE SOURCES OF THE DISTRICT” herein.

The Series 1991A Supplemental Trust Agreement provides for the establishment and maintenance of a Series 1991A Lease Payment Account for deposit of Basic Lease Payments appropriated and paid under the Series 1991A Lease. The Series 1992A Supplemental Trust Agreement provides for the establishment and maintenance of a Series 1992A Lease Payment Account for deposit of Basic Lease Payments appropriated and paid under the Series 1992A Lease. The Series 2001A Supplemental Trust Agreement provides for the establishment and maintenance of a Series 2001A Lease Payment Account for deposit of Basic Lease Payments appropriated and paid under the Series 2001A Lease. The Series 2001B Supplemental Trust Agreement provides for the establishment and maintenance of a Series 2001B Lease Payment Account for deposit of Basic Lease Payments appropriated and paid under the Series 2001B Lease. Prior to each Payment Date, the School Board will transfer sufficient funds to the Trustee for deposit to the applicable Lease Payment Account to be applied to pay the entire interest and principal portion of the Basic Lease Payments due under the applicable Lease on such date.

Lease Payments due under all Schedules to the Master Lease are subject to annual appropriation by the School Board on an all-or-none basis and are payable on a parity basis solely from legally available funds appropriated by the School Board for such purpose; provided that Lease Payments with respect to a particular Schedule and Series of Certificates may be additionally and separately secured by a Credit Facility. There is no limit on the number of additional Facilities that may be financed under the Master Lease. Such additional Facilities may be financed through the sale of additional Series of Certificates under the Trust Agreement.

Limited Obligation

The School Board is not legally required to appropriate moneys to make Lease Payments. Lease Payments are payable from funds appropriated by the School Board for such purpose from current or other funds authorized by law and regulations of the State Department of Education. None of the District, the School Board, the State, or any political subdivision or agency thereof is obligated to pay, except from appropriated funds, any sums due under the Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease or the Series 2001B-1 Lease from any source of taxation, and the full faith and credit of the District, the School Board, the State or any political subdivision or agency thereof is not pledged for payment of such sums due thereunder. Such sums do not constitute an indebtedness of the District, the School Board, the State or any political subdivision or agency thereof within the meaning of any constitutional or statutory provision or limitation.

Prior Leases and Additional Leases

Failure to appropriate funds to make Lease Payments under any Lease will, or an event of default under any Lease may, result in the termination of all Leases, including the Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease, and the Series 2001B-1 Lease. Upon any such termination of all Leases, the School Board must surrender possession of certain Facilities, including the Series 1991A-1 Facilities, Series 1992A-1 Facilities, Series 2001A-1 Facilities, and Series 2010B-1 Facilities subject to the Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease, and the Series 2001B-1 Lease, to the Trustee for sale or lease. The proceeds of any such disposition of a portion of such Facilities will be applied to the payment of the Series 2010B Certificates in accordance with the terms of the Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease, or the Series 2001B-1 Lease, to the extent and as provided in the applicable Lease. In no event will owners of the Series 2010B Certificates have any interest in or right to any proceeds of the disposition of Facilities financed with the proceeds of another Series of Certificates, except as provided in the Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease, or the Series 2001B-1 Lease, as applicable. There can be no assurance that the remedies available to the Trustee upon any such termination of all Leases and the disposition of the applicable Facilities will produce sufficient amounts to pay the outstanding Series 2010B Certificates. See “THE SERIES 1991A-1 LEASE, SERIES 1992A-1 LEASE, SERIES 2001A-1 LEASE, AND SERIES 2001B-1 LEASE – Effect of Termination for Non-Appropriation or Default” herein.

For a discussion of remedies available to the Trustee in the event of the non-appropriation of funds to pay Lease Payments, see “THE SERIES 1991A-1 LEASE, SERIES 1992A-1

LEASE, SERIES 2001A-1 LEASE, AND SERIES 2001B-1 LEASE – Termination of Lease Term” and “– Effect of Termination for Non-Appropriation or Default” herein. For a discussion of remedies available to the Trustee in the event of default by the School Board under any Lease, see “THE SERIES 1991A-1 LEASE, SERIES 1992A-1 LEASE, SERIES 2001A-1 LEASE, AND SERIES 2001B-1 LEASE – Termination of Lease Term” and “– Effect of Termination for Non-Appropriation or Default” and “APPENDIX C – Forms of Certain Legal Documents – Form of Master Lease Purchase Agreement – Events of Default and Remedies.”

The School Board and the Corporation have entered into, and may, in the future, also enter into lease agreements upon terms and conditions other than those in the Master Lease and which result in the issuance of certificates of participation that are not secured by the Trust Agreement. The School Board has also entered into various other leases for computers, furniture, buses, other motor vehicles and other equipment that are not leased under the Master Lease, and for which no certificates of participation were issued under the Trust Agreement. No certificates of participation are currently outstanding under any lease agreement entered into by the School Board and the Corporation, other than the Prior Certificates issued in connection with the execution and delivery of the Prior Leases.

Prior Certificates and Additional Certificates

The Trustee, at the direction of the Corporation, has issued the Prior Certificates under the Trust Agreement and in connection with the execution and delivery of the Prior Leases. As of [August 31, 2010, \$1,973,228,182] in aggregate principal amount of Prior Certificates were outstanding. In addition to the Prior Certificates and the Series 2010B Certificates the School Board and the Corporation may also cause Certificates to be issued in relation to the execution and delivery of additional Leases.

The Series 2010B Certificates will evidence undivided proportionate interests in the Basic Lease Payments to be made under (i) the Series 1991A-1 Lease, (ii) the Series 1992A-1 Lease, (iii) the Series 2001A-1 Lease, payable on a pro rata basis with the Outstanding Series 2001A Certificates and the Series 2004B Certificates allocable to the Series 2001A-1 Lease, and (iv) the Series 2001B-1 Lease, payable on a pro rata basis with the Outstanding Series 2001B Certificates and the Series 2004B Certificates allocable to the Series 2001B-1 Lease. Holders of the Series 2010B Certificates will have no right to the Basic Lease Payments made under any other Lease. See “THE SERIES 1991A-1 FACILITIES, SERIES 1992A-1 FACILITIES, SERIES 2001A-1 FACILITIES, AND SERIES 2010B-1 FACILITIES – General,” “THE MASTER LEASE PROGRAM” AND “THE SERIES 1991A-1 LEASE, SERIES 1992A-1 LEASE, SERIES 2001A-1 LEASE, AND SERIES 2001B-1 LEASE – Effect of Termination for Non-Appropriation or Default” herein.

Future Certificate Sales

One or more Series of Additional Certificates may be authorized by the Corporation at the request of the School Board and executed and delivered by the Trustee with respect to additional Leases entered into in the future, for the purpose of (a) financing the cost of acquisition, construction and equipping of any Facilities, (b) financing the cost of completing the

acquisition, construction, installation and equipping of any Facilities, (c) financing the cost of increasing, improving, modifying, expanding or replacing any Facilities, or (d) paying or providing for the payment of the principal portion and interest portion of the Basic Lease Payments with respect to, or the Purchase Option Price of, all or a portion of the Facilities financed from the proceeds of any Series of Certificates previously executed and delivered. Additional Certificates may also be issued in connection with any lease agreements entered into by the School Board in the future upon terms and conditions other than those in the Master Lease.

In addition to the issuance of the Series 2010B Certificates, the School Board may finance or refinance a portion of the cost of its District Educational Facilities Plan through the issuance of additional Certificates of Participation from time to time. See “THE SCHOOL BOARD AND THE DISTRICT – District Educational Facilities Plan” herein. The aggregate principal amount of Additional Certificates that may be executed and delivered under the provisions of the Trust Agreement is not limited. The School Board does not expect to issue Additional Certificates to fund its current DEFP.

Non-Appropriation Risk

The School Board is not legally required to appropriate moneys for the purpose of making Lease Payments. For a discussion of remedies available to the Trustee in the event of the non-appropriation of funds to make Lease Payments, see “THE SERIES 1991A-1 LEASE, SERIES 1992A-1 LEASE, SERIES 2001A-1 LEASE, AND SERIES 2001B-1 LEASE – Termination of Lease Term” and “– Effect of Termination for Non-Appropriation or Default” herein. There can be no assurance that the remedies available to the Trustee in the event of non-appropriation will produce sufficient amounts to pay the outstanding Series 2010B Certificates.

Optional Prepayment Price

Title to Series 1991A-1 Facilities, Series 1992A-1 Facilities, Series 2001A-1 Facilities, and Series 2010B-1 Facilities will remain in the Corporation. The School Board has the right to acquire title to all or any portion of such Facilities, subject to the Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease, or the Series 2001B-1 Lease, as applicable, by paying the Purchase Option Price for the specific Facilities being purchased or by substituting other School Board facilities for the Facilities being acquired.

The Purchase Option Price with respect to any of Series 1991A-1 Facilities, Series 1992A-1 Facilities, Series 2001A-1 Facilities, or Series 2010B-1 Facilities as of each Lease Payment Date, is (i) the applicable Basic Lease Payment then due, plus the amount designated in the applicable Lease for such Facilities as the Remaining Portion of the Purchase Option Price, (ii) minus any credits pursuant to the provisions of the applicable Lease, (iii) plus an amount equal to the interest to accrue with respect to the Outstanding Certificates to be prepaid as a result of the release of such Facilities from the applicable Lease, including the Series 2010B Certificates, from such Lease Payment Date to the next available date for prepaying the Outstanding Certificates to be prepaid, including the Series 2010B Certificates, and (iv) plus an

amount equal to a pro rata portion of any Additional Lease Payments then due and owing under the applicable Lease.

No Reserve Account

There is no Reserve Account for the Series 2010B Certificates. However, pursuant to a Supplemental Trust Agreement authorizing the issuance of any additional Series of Certificates, there may be established and maintained a separate Reserve Account to secure the payment of the principal and/or interest components of the Basic Lease Payments related to such Series of Certificates. Any such Reserve Account shall secure only the Series of Certificates for which it has been established. See “APPENDIX C – Forms of Certain Legal Documents – Form of Master Trust Agreement.”

FINANCIAL GUARANTY INSURANCE

The Insurer has supplied the following information for inclusion in this Offering Statement. No representation is made by the School Board or the Underwriters as to the accuracy or completeness of this information.

Bond Insurance Policy

The Insurer

THE SCHOOL BOARD AND THE DISTRICT

General

Established in 1915, the District is organized under Section 4, Article IX of the Constitution of the State of Florida and Chapter 1001, Florida Statutes, as amended. The District covers the same geographic area as the County and provides elementary, secondary and vocational educational services to the unincorporated areas of the County and all of the 31 incorporated municipalities within the County, the largest of which is the City of Fort Lauderdale. The District has a student enrollment that is the second largest in the State and the sixth largest in the United States. By virtue of its accreditation by the Southern Association of Colleges and Schools, the District operates the largest fully accredited school system in the nation. As of August 31, 2010, the District had approximately 232,850 students enrolled in grades pre-kindergarten to 12, more than 36,000 permanent employees, including over 14,770 classroom instructors, and included 297 schools and comprised of 141 elementary schools, 41 middle schools, 30 high schools, 17 adult/vocational schools and other centers and 68 charter schools. The District is the County’s largest single employer. The general fund, the primary operating fund of the District, had an annual operating budget of approximately \$1.9 billion for Fiscal Year 2008-2009 and \$1.8 billion for Fiscal Year 2009-2010. See “REVENUE SOURCES OF THE DISTRICT - Operating Revenues” herein.

Management of the District is independent of the County government and local governments within the County. The District is part of the State system of public education operated under the general direction and control of the State Board of Education. The District is governed by the School Board, which consists of nine elected members. The Superintendent of

Schools is appointed by the members of the School Board and serves as the executive officer of the District. The District has taxing authority, as more fully described herein under “REVENUE SOURCES OF THE DISTRICT.” The County Tax Collector collects ad valorem taxes for the District, but exercises no control over the District’s tax receipts.

The District is committed to providing each child equal educational opportunities, as reflected in the mission statement adopted by the School Board:

“The School Board of Broward County, Florida is dedicated to meeting the educational needs of all students in a safe learning environment.”

To further its mission, the School Board has adopted specific goals and objectives and regularly evaluates its progress in meeting those goals and objectives.

The County

As discussed above, management of the District is separate from the County, but the District covers the same geographic area. Information regarding the County herein is provided for the purpose of providing general information about the geographic area in which the District is located.

The County, created in October 1915 by the legislature of the State of Florida, is located on the southeastern coast of Florida, and has an area of approximately 1,197 square miles. It is bordered to the north by Palm Beach County and to the south by Miami-Dade County. The County ranks second in population in the State and fifteenth in the nation, with a 2000 Census population of 1.62 million persons. Broward County’s Planning Services Division estimates the County’s 2009 population to be 1,762,285. The County has a diversified economy with a balance among high technology, manufacturing, financial, international and domestic tourism, residential and commercial construction, and retail trade. There were approximately 74,226 business establishments with operations in the County as of September 30, 2009. Although most of these companies are classified as small businesses, there are approximately 100 Fortune 500 companies, or divisions thereof, with operations in the County. For a more detailed description of the County, see “APPENDIX A – General Information Regarding Broward County, Florida.” The information about the County contained herein and in Appendix A has been obtained from the County and is believed to be reliable. No representation is made by the School Board or the Underwriters as to the accuracy or completeness of such information.

Governance of the District

The governing body for the District is the School Board, a public body corporate existing under the laws of the State of Florida, particularly Section 1001.40 Florida Statutes. The School Board consists of nine members, two of whom are elected by countywide vote and seven of whom are elected from single member districts, for overlapping four-year terms. The School Board’s duties and powers include the acquisition, maintenance and disposition of school property within the District; the development and adoption of a school program for the District; the establishment, organization and operation of schools, including vocational and evening schools and programs for gifted students, handicapped students and students in residential care

facilities; the appointment, compensation, promotion, suspension and dismissal of employees; the establishment of courses of study and the provision of adequate instructional aids; and the establishment of a system to transport students to school or school-related activities.

The School Board also has broad financial responsibilities, including the approval of the annual budget, the adoption of the school tax millage levy, and the establishment of a system of accounting and budgetary controls. Accounting reports and the annual budget are required by State regulations to be filed with the State Department of Education.

The Chair of the School Board is elected by the members of the School Board annually. The Superintendent of Schools (the “Superintendent”) is the ex officio Secretary of the School Board.

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

<u>Name/Office†</u>	<u>Initial Term Commencing November</u>	<u>Current Term Expires November</u>
Jennifer Leonard Gottlieb, Chair	2006	2010
Benjamin J. Williams, Vice Chair	2000	2012
Robin Bartleman	2004	2012
Maureen S. Dinnen	2004	2012
Phyllis C. Hope	2006	2010
Ann Murray	2008	2010
Dr. Robert D. Parks	1986	2010
Kevin P. Tynan, Esq.	2009	2012

† The office of District 4 Board member is vacant and will remain vacant until an election is held on November 2, 2010 and the new board member is seated on November 16, 2010

Administration

The Chief Executive Officer of the District is the Superintendent, who is appointed by the School Board. The Superintendent’s powers and duties include keeping the records of the School Board, acting as custodian for District property, preparing long-term and annual school programs, directing the work of District personnel, making policy recommendations to the School Board in the areas of child welfare, pupil transportation, school plant and District finance, and performing the additional duties assigned to him by law and the regulations of the State Department of Education.

Set forth below are biographical descriptions of the Superintendent and certain other administrative personnel of the District:

James F. Notter became Superintendent on August 7, 2007, after serving as Interim Superintendent from November 9, 2006. Mr. Notter has served 33 years in public education, including 23 years in administrative roles and 10 years as a classroom teacher in Western New York. He is in his 23rd year with Broward County Public Schools. Mr. Notter joined the

District in 1986 and has progressed through the organization, serving in a variety of capacities before being named the North Central Area Superintendent in July of 1999, Deputy Superintendent in July of 2001 and Chief of Staff in July of 2003. Mr. Notter is a graduate of the University of Buffalo with a BS degree in education and earned a MS degree in administration from Niagara University in Niagara Falls, New York. Mr. Notter completed his postgraduate work at Florida International University and the University of Miami. He is currently enrolled in the doctoral program for Organizational Leadership at Nova Southeastern University in Davie, Florida.

Thomas Lindner was assigned to serve as Acting Deputy Superintendent, Facilities and Construction Management for the District effective January 1, 2010. Mr. Lindner is also the Executive Director of Physical Plant Operations. Mr. Lindner has a degree in Engineering and Management from the United States Naval Academy in Annapolis, MD and an M.S. degree from the Naval Postgraduate School in Monterey, California. While in the Navy he served in the weapons and engineering departments and rose through the ranks to become one of the youngest destroyer commanding officers in the Navy at the time. He also specialized in personnel and training after receiving his masters degree. In the private sector he has worked in Corporate Facility Management at Auto Nation and JM Family Enterprises.

I. Benjamin Leong became the Comptroller of the District in 1998. In July, 2000, the Superintendent assigned to Mr. Leong the duties of chief financial officer and in July, 2004, his title was officially changed to Chief Financial Officer. Mr. Leong joined the District as Director of Management/Facility Audits in April, 1995. Prior to joining the District, Mr. Leong was the Auditor General of the New York City School Construction Authority (SCA). The SCA is a public benefit corporation established by the New York State legislature in 1989 to accelerate and improve the building and renovation of New York City public schools. The SCA is one of the largest school construction agencies in the United States. Prior to serving for the SCA, Mr. Leong was appointed Special Assistant to the Chancellor of New York City public schools. As Special Assistant to the Chancellor for financial affairs, Mr. Leong oversaw a \$7.2 billion budget, supervised business operations and organized the restructuring of numerous departments within the central administration. He began his accounting career with a “Big Five” accounting firm. He has nineteen years of experience in accounting, auditing and school construction, with clients ranging from Fortune 100 companies to public schools and agencies. Mr. Leong received a Bachelor’s Degree from the University of Miami. He is a certified public accountant in Florida and New York.

Henry L. Robinson was appointed Treasurer in March of 1990. Mr. Robinson joined the District in 1981 and, prior to being appointed Treasurer, has served as Budget Analyst, Management Accountant and Cash Manager. Mr. Robinson received a B.A. degree in Accounting from Biscayne College, Miami, Florida in 1977. Prior to his employment with the District, he was employed by the Florida Farmworkers Council as Assistant Director of Finance and Administration. He is a member of the Florida School Finance Officers Association and the Florida Association of School Business Officials.

Oleg Gorokhovsky was hired as the Cost Reporting Manager of the District in 2004. The Superintendent appointed Mr. Gorokhovsky to the position of Director of Financial Reporting in

2005. In July 2008, his title was changed to the Director of the Accounting and Financial Reporting Department. Prior to his employment with the District, Mr. Gorokhovskiy was employed by the Housing Authority of the City of Miami Beach in the capacity of Interim Finance Director; as a Senior Budget and Fiscal Advisor for the City of Miami; and as a Fiscal Management Director while employed at the Private Industry Council of Dade County. He received a Masters Degree in Accounting from Florida International University and is a Certified Public Accountant in Florida. Also, Mr. Gorokhovskiy is a member of the American Institute of Certified Public Accountants, the Florida School Finance Officers Association, and the Government Finance Officers Association.

Omar Shim is the Director of Capital Budget for the District. Mr. Shim began his career in the District in 2000 as a Capital Scheduling and Claims Analyst, then was promoted to Director of Quality Assurance and Assistant to Comptroller in 2003. In 2005 he was appointed as Special Assigned Director of Capital Budget and took over the position permanently in 2006. In that capacity he oversees the District's capital budget and facilitates the process of developing the District Educational Facilities Plan. Mr. Shim graduated from Florida Atlantic University and is a member of the Government Finance Officers Association (GFOA) and the Florida School Finance Officers Association.

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Statistical Data

The following tables present a statistical overview of the District's school system, including: (1) trends in District personnel by full-time employee classification, (2) enrollment profiles, and (3) data regarding the District's public school facilities.

Classification of Full-Time Personnel

	Fiscal Year <u>2005-06</u>	Fiscal Year <u>2006-07</u>	Fiscal Year <u>2007-08</u>	Fiscal Year <u>2008-09</u>	Fiscal Year <u>2009-10</u>
Instructional Staff ⁽¹⁾	17,253	17,527	17,178	16,848	16,397
Teachers Aides	2,629	2,605	2,631	2,398	2,484
Principals & Assistant Principals	648	677	654	665	657
Management & Support Staff ⁽²⁾	<u>9,620</u>	<u>9,794</u>	<u>9,714</u>	<u>9,408</u>	<u>9,158</u>
Total	<u>30,150</u>	<u>30,603</u>	<u>30,177</u>	<u>29,319</u>	<u>28,696</u>

Source: The School District of Broward County, Florida.

- (1) Includes Elementary and Secondary Teachers, Exceptional Student Teachers, Other Teachers, Guidance/Psychological, Librarians, Other Professional Instructional Staff.
- (2) Includes Officials, Administrators And Managers (Instructional and Non-Instructional), Supervisors of Instructional, Technicians, Clerical/Secretarial Staff, Service Workers, Skilled Crafters, Laborers.

Profile of Enrollments Full-Time Equivalent Students⁽¹⁾

	Fiscal Year <u>2004-05</u>	Fiscal Year <u>2005-06</u>	Fiscal Year <u>2006-07</u>	Fiscal Year <u>2007-08</u>	Fiscal Year <u>2008-09⁽³⁾</u>
Kindergarten to Grade 3	59,439	58,223	54,056	53,124	50,409
Grades 4-8	75,787	73,675	70,479	68,887	68,411
Grades 9-12	52,798	53,281	53,058	52,861	51,818
ESOL ⁽²⁾	20,506	19,408	19,302	18,940	17,726
Exceptional Students	39,708	39,848	39,546	39,262	39,683
Vocational Students	6,887	7,145	6,804	6,213	6,259
Adult Students	<u>20,808</u>	<u>19,458</u>	<u>18,237</u>	<u>19,497</u>	<u>18,272</u>
Total	<u>275,933</u>	<u>271,038</u>	<u>261,482</u>	<u>258,874</u>	<u>252,578</u>

Source: The School District of Broward County, Florida.

- (1) Enrollments are calculated on a full-time equivalent student basis for adults and for grades kindergarten through twelve for the regular and summer school terms. A full-time equivalent student is defined as equal to 900 hours of instructional time.
- (2) English for Speakers of Other Languages.
- (3) Student enrollment for 2009-2010 was 255,203 as further set forth in the table of Student Enrollment Projections in "District Educational Facilities Plan" below.

School Facilities⁽¹⁾

	Fiscal Year <u>2005-06</u>	Fiscal Year <u>2006-07</u>	Fiscal Year <u>2007-08</u>	Fiscal Year <u>2008-09</u>	Fiscal Year <u>2009-10</u>
Elementary	138	138	138	138	138
Middle	41	41	42	42	43
High	31	32	32	32	33
Others ⁽²⁾	<u>16</u>	<u>18</u>	<u>18</u>	<u>18</u>	<u>16</u>
Total ⁽¹⁾	<u>226</u>	<u>229</u>	<u>230</u>	<u>230</u>	<u>230</u>

Source: The School District of Broward County, Florida.

- (1) Excludes charter schools. There were 56 charter schools located within the District during the 2009-2010 school year.
- (2) Adult/vocational schools and exceptional centers.

District Educational Facilities Plan

The School Board requires the development of a continuous five-year District Educational Facilities Plan (“DEFPP”). In each year, the DEFPP is reviewed and revised as necessary to reflect the District’s long range capital construction program, changes to the capital construction program resulting from student enrollment changes, and improvements and additions to school and non-school sites. An annual update of the DEFPP provides, upon approval by the School Board, a continuous five-year program. The most recent annual update of the DEFPP was approved by the School Board on September 7, 2010 and provides for a five-year facilities plan totaling approximately \$1.3 billion. See “THE SERIES 1991A-1 FACILITIES, SERIES 1992A-1 FACILITIES, SERIES 2001A-1 FACILITIES AND SERIES 2001B-1 FACILITIES” herein.

The DEFPP is funded from federal, State and local revenue sources, as well as certificates of participation issued pursuant to the District’s master lease program. Due to the drastic decreases in these revenue sources, the capital outlay budget adopted August 25, 2009 for 2009-2014 is over \$1.7 billion less than the prior five year plan that was adopted in August of 2008. This decline is primarily a result of recent Florida legislative changes that have reduced the Local Option Millage Levy for capital outlay and maintenance purposes from 2.0 mills to 1.5 mills, and the reduced property tax values in Broward County. The revenue projections for next year’s DEFPP are expected to be similar, providing minimal borrowing capacity.

The DEFPP is based on an analysis of the District’s demographics, community participation, area executive staff feedback, School Board member input and departmental requests. In addition, the updated student enrollment projections for the five years, 2010-2011 through 2014-2015, provide a basis for determining capital needs throughout this period. The following table provides historical information relating to student enrollment in the District and projections for such enrollment. The enrollment projections are compared to the 20th day figures for the 2009-2010 school year.

**The School District of Broward County, Florida
Student Enrollment Projections**

	2009-2010 20 th Day <u>Enrollment</u>	2010-2011 Projected <u>Enrollment</u>	2010-2011 Increase (Decrease) <u>to 2009-2010</u>	2014-2015 Projected <u>Enrollment</u>	2014-2015 Increase (Decrease) <u>to 2009-2010</u>
Pre-Kindergarten	4,244	4,244 ⁽²⁾	0	4,244 ⁽²⁾	0
Elementary (K-5)	102,495	102,766	271	108,386	5,891
Middle	52,952	52,937	(15)	53,378	426
High	70,234	70,250	16	70,922	688
Centers	4,676	4,676 ⁽²⁾	0	4,676 ⁽²⁾	0
Charters	<u>20,602</u>	<u>20,602⁽²⁾</u>	<u>0</u>	<u>20,602⁽²⁾</u>	<u>0</u>
Total ⁽¹⁾	<u>255,203</u>	<u>255,475</u>	<u>272</u>	<u>262,208</u>	<u>7,005</u>

Source: The School District of Broward County, Florida.

- (1) Includes approximately 2,000 pre-kindergarten students who are not part of FTE counts or calculations.
- (2) The District historically does not provide projected enrollment for pre-kindergarten, center and charter schools. The current twentieth day enrollment for these programs/schools are carried forward into future year projections, resulting in no enrollment gains or losses.

Enrollment in the District is projected to increase by 7,005 total pre-kindergarten through twelfth grade students, including those in centers and charter schools by the 2014-2015 school year. Based on current demographic data, the District projects that elementary enrollment in District owned facilities will increase over the next five years by 5,891 students, public middle school enrollment will increase by 426 students and high school enrollment will increase by 688 students.

Enrollment in charter schools was 20,602 in school year 2009-2010, with 17 additional charter schools anticipated in 2010-2011; however, approved charter school applicants often withdraw or defer opening to the following school year due to facility issues. When new charter schools open, their enrollment is drawn from the traditional public schools. Therefore, the enrollment for charter schools increases while the enrollment at traditional schools decreases. Since charter schools are considered public schools, their enrollment is, however, included in the District's total enrollment. The District historically does not provide projected enrollment for charter schools.

All projections of the District as to student enrollment are based upon estimates and assumptions made by the District, and although considered reasonable by the District utilizing historical data, are inherently uncertain and subject to significant business, economic and competitive uncertainties and contingencies. The outcome of such factors are difficult to predict and many of such factors are beyond the control of the District. As a result, there can be no assurance that such enrollment rates will occur or be realized as projected.

District Programs

The District has implemented a wide range of programs that are designed to provide special benefits to students and schools. Among such programs is the College Academy, which offers high school juniors enrolled as full-time students the opportunity to receive a college ready

diploma from the School Board as well as an Associates of Arts degree from Broward Community College. Students are also afforded the opportunity to qualify for the State of Florida Bright Futures Scholarship Program. Another program, the Leadership Academy for Middle School students, is a partnership with the Broward Sheriff's Office to address the needs of sixth and seventh grade at-risk students. The goal of this program is to create a learning environment that not only provides educational value but strict discipline as well. Another program, the Broward Virtual Education, gives students the opportunity to take high school courses via the Internet. Students may select from a variety of classes when they participate in this program, including advanced placement courses. The District has also implemented the Superintendent's Forum Executive Partnership, which is a program that pairs business leaders and other individuals from the private sector with schools designated by the Superintendent for improvement. The team assigned to each school will work as advocates with the school administration to develop and implement strategic plans that will enhance the educational process and improve the management and operations in such schools.

Accreditation

All public schools in the District are fully accredited by the State and by the Southern Association of Colleges and Schools ("SACS"). The District is the largest, fully accredited school district in the nation.

Budgetary Process

State law requires the School Board to advertise its intent to adopt a tentative budget, including a capital outlay budget, within 25 days following the Broward County Property Appraiser's official certification of taxable property, which usually occurs on or about August 1. The School Board holds a public hearing on the tentative budget and the proposed tax rates within five days of its advertisement, and officially adopts the tentative budget and tax rates at the hearing. Thereafter, the Broward County Property Appraiser prepares tax millage notices for property owners within the District. The final budget and tax rate are fixed in September of each year, following a final public hearing and in accordance with statutory timelines. The budget for the Fiscal Year ending June 30, 2011 was adopted at a public hearing held on September 16, 2010.

As part of the budget process, the District is required to provide advance notice of the purposes for which the District intends to spend budgeted amounts, including those derived from the proceeds of the Local Option Millage Levy, and to adopt a budget which shows the capital outlay expenditures applicable to each project. For information regarding the Local Option Millage Levy see "REVENUE SOURCES OF THE DISTRICT – Revenues for Capital Projects" herein. The District currently lists in such notice all projects which may begin within the Fiscal Year which are reasonably anticipated to be funded from proceeds of the estimated Local Option Millage Levy. This listing is provided to allow for public input for all capital outlay projects which are reasonably anticipated to be funded from such proceeds.

The Superintendent of Schools is responsible for preparing the preliminary and tentative budgets for recommendation to the School Board. Florida law requires the School Board to

adopt and maintain a balanced budget, in which anticipated revenues less certain required deductions combined with beginning fund balances equal appropriations. Generally, the final budget is substantially the same as the tentative budget since the School Board's hiring plans and materials purchases have been determined before the final budget is adopted.

Constitutional Amendments Related to Class Size Reduction and Pre-Kindergarten Legislation

Class Size Legislation

Article IX of the State Constitution was amended in 2002 by amendment 9, which requires that the State Legislature provide funding for sufficient classrooms so that class sizes can be reduced to certain constitutional class size maximums by the beginning of the 2010 school year. Amendment 9, Section 1003.03 Florida Statutes, and Section 1013.735 Florida Statutes, relating to the implementation of Amendment 9, collectively are referred to herein as the "Class Size Legislation."

The Class Size Legislation establishes constitutional class size maximums limiting students per class to no more than 18 for pre-kindergarten through 3rd grade, 22 for grades 4 through 8 and 25 for grades 9 through 12. Beginning with the 2003-2004 fiscal year, school districts that exceeded these class size maximums were required to reduce the average number of students per class in each of these grade groupings by at least two students each year. The maximums must be implemented by the beginning of the 2010 school year. School districts that exceeded these class size maximums were required to reduce the average number of students per class in each of these grade groupings by at least two students each year, beginning with the 2003-04 Fiscal Year. For Fiscal Years 2003-04 through 2005-06, compliance for each of the grade groupings was calculated to be the average at the district level. For Fiscal Years 2006-07 through 2009-10, compliance was determined at the average on a school-by-school basis. For Fiscal Year 2010-11 and thereafter, compliance is determined on an individual classroom level. In the event a school district is not in compliance with such requirements, the legislation provides that the State shall reduce the categorical funds and half the base student allocation due to such school district for operational purposes. For those school districts that are in compliance with the constitutional amendment additional funds shall be distributed to those school districts. The additional distribution is to be calculated by taking 25 percent of the total funds reduced from those school districts not in compliance and distributing an amount up to 5 percent of the base student allocation multiplied by the total district FTE students. School districts not in compliance are required to submit to the commissioner of education a corrective action plan that describes specific actions the district will take in order to fully comply with the requirements by October of the following year. If the district submits the certified plan by the required deadline, the funds remaining after the reallocation to school districts will be reallocated based upon each school district's proportion of the total reduction. However, no district shall have an amount added back that is greater than the amount that was reduced.

[Pursuant to action taken by the Florida Legislature in the 2010 session, an amendment to Article IX of the State Constitution (the "Class Size Amendment") will be submitted to voters in the next general election on November 2, 2010. The Class Size Amendment would replace the

current maximum class size provisions as follows: Pre-kindergarten through 3rd grade – the average number of students per class may not exceed 18 and the maximum individual class size cannot exceed 21; for grades 4 through 8 – the average number of students per class may not exceed 22 and the maximum individual class size cannot exceed 27; for grades 9 through 12 - the average number of students per class may not exceed 25 and the maximum individual class size may not exceed 30. If the Class Size Amendment is approved by the voters of the State, the revisions to the class size requirements would apply retroactively to the beginning of the 2010-2011 school year.]

The Florida Education Association, a state teachers' union, filed a lawsuit on July 23, 2010 seeking to remove the Class Size Amendment from the ballot. On September 10, 2010, the Leon County Circuit Court ruled against the plaintiffs, stating that the Class Size Amendment was neither misleading nor ambiguous and can be included on the ballot. The plaintiffs appealed such decision to the First District Court of Appeals. On September 16, 2010, the First District Court of Appeals sent the case directly to the Florida Supreme Court without issuing a ruling of its own. On September 22, 2010, the Florida Supreme Court agreed to hear arguments on the claim. On October 8, 2010, the Florida Supreme Court upheld the decision of the Leon County Circuit Court. Accordingly, the item will be on the ballot on November 2, 2010. Such amendment requires approval of at least 60% of the voters voting in such an election.

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

The Class Size Legislation requires each school board to consider implementing various policies and methods to meet these constitutional class sizes, including encouraging dual enrollment courses, encouraging the Florida Virtual School, maximizing instructional staff, reducing construction costs, using joint-use facilities, implementing alternative class scheduling, redrawing attendance zones, implementing evening and multiple sessions and implementing year-round and non-traditional calendars. Failure to reduce class sizes by at least two students each year until the constitutional maximum is met may result in transfer of class size reduction operating funds to fixed capital outlay appropriations, required implementation of year-round schools, double sessions, extended school year or rezoning, implementation of a state-mandated constitutional compliance plan or withholding of various State funds.

To ensure that the District will accurately address period-by-period class size reduction implementation in 2010-2011, the Class Size Reduction Action Committee (CSRAC), established in 2007 by the Superintendent, continues to meet and refine District operational practices to ensure class size reduction mandate compliance. The CSRAC is comprised of representatives from the following departments or entities of interest in the District: schools, Area Offices, Facilities, Boundaries, Budget, Curriculum, Human Relations, and Instructional Staffing.

Based on current estimates provided by the Department of Education and Student Support, the District estimates that it will cost approximately \$70 million for the District to meet the class size requirements. The District has previously set aside \$40 million to use toward compliance with the Class Size Legislation. The District expects to have an additional approximately \$30 million of revenue available for class size compliance generated from the .25 mills levied for Fiscal Year 2010-2011 for critical operating needs (net of the portion to be provided to charter schools). Thus, the \$40 million previously set aside and the remaining \$30 million of critical needs millage revenue should provide the District with the funds necessary to comply with the Class Size Legislation and, assuming the District can hire the number of teachers needed, the District expects to be in compliance with the Class Size Legislation.

While the Class Size Legislation suggests that the State Legislature, and not the local school district, is generally responsible for the cost of compliance, it is uncertain what effect implementation might have upon the District or the Board. The Class Size Legislation is largely focused upon funding of capital outlays and facility needs. There can be no assurance that these funds will be sufficient to meet the capital and facility needs of the District required by the Class Size Legislation. Further, there can be no assurance that the District will have funds sufficient to meet the capital and facility needs of the District required by the Class Size Legislation or that compliance therewith will not adversely affect other capital needs and operating costs of the District.

Pre-Kindergarten Legislation

Article IX of the State Constitution was amended in 2002 by Amendment 8, which provides that every 4-year old child in the State shall be offered a free, high quality pre-kindergarten learning opportunity by the State no later than the 2005 school year. In furtherance thereof, Part V, Chapter 1002, Florida Statutes (referred to herein together with Amendment 8, as the “Pre-Kindergarten Legislation”) created a voluntary universal pre-kindergarten education program for four-year olds. The Pre-Kindergarten Legislation provides the method for calculating the funds allocated to each pre-kindergarten program provider. The District had approximately 315 students participating in a 2009-2010 school year voluntary pre-kindergarten (VPK) program. In addition, 140 students participated in the District’s summer VPK program in 2009.

The State funding currently provided by Part V, Chapter 1002, Florida Statutes is insufficient for the District to provide a major pre-kindergarten program. The District uses the State funding it receives to provide a pre-kindergarten program for the students that can be accommodated by such funding and will use any additional funds received from the State for such purpose to expand its pre-kindergarten program. However, there can be no assurance that the Pre-Kindergarten Legislation and compliance therewith will not adversely affect the District. Further, there can be no assurance that the District will have funds sufficient to meet the capital and facility needs of the District required by the Pre-Kindergarten Legislation or that compliance therewith will not adversely affect other capital needs and operating costs of the District, which could have an adverse impact on the District’s ability to appropriate funds for Lease Payments.

THE LESSOR

Broward School Board Leasing Corp. is a Florida not-for-profit corporation formed in June 1989 for the purpose of acting as lessor under leases with the School Board. The sole member of the Corporation is the School Board. Upon dissolution, all of its assets will be distributed to the School Board. The Board of Directors of the Corporation consists of the members of the School Board and its officers are School Board members and employees. There is no litigation pending against the Corporation.

REVENUE SOURCES OF THE DISTRICT

General

The following briefly describes revenues available to the District for operating and capital purposes. For information concerning such matters as financial results of the District, ad valorem tax collections and certain District liabilities, see “AD VALOREM TAX PROCEDURES,” and “SELECTED FINANCIAL INFORMATION” herein and “APPENDIX B – Basic Financial Statements of The School Board of Broward County, Florida for the Fiscal Year Ended June 30, 2009.” There have been several constitutional amendments and actions of the Florida Legislature which have limited these revenues, see “RECENT GOVERNMENTAL ACTIONS AFFECTING DISTRICT REVENUES” herein.

Operating Revenues

The District derives its operating income from a variety of federal, State and local sources. The major categories of income sources for the operating funds of the District are briefly described below. The District’s funding from the State of Florida has been cut by \$136 million over the last three years. Non-recurring revenues have been used to balance the budget. Further cuts are anticipated for Fiscal Year 2010-2011 and are projected to be between \$6 million and \$40 million. In order to balance the budget, the District must make major cuts. These cuts will not affect the ability of the School Board to make the Lease Payments with respect to the Leases, including the Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease and the Series 2001B-1 Lease.

State Sources

Florida Educational Finance Program. The major portion of State support is distributed under the provisions of the Florida Education Finance Program (FEFP), which was enacted by the State Legislature in 1973. Basic FEFP funds are provided on a weighted full-time equivalent student (“FTE”) basis and through a formula that takes into account: (i) varying program costs; (ii) cost differentials between districts; (iii) differences in per-student costs due to the density of student population; and (iv) the required level of local support. Program cost factors are determined by the State Legislature each year. The amount of FEFP funds disbursed by the State is adjusted four times during each year to reflect changes in FTE and in variables comprising the formula. In addition, the level of State funding is adjusted during each year to compensate for increases or decreases in ad valorem tax revenue resulting from adjustments to the valuation of

non-exempt property in the County. To participate in FEFP funding, the District must levy a minimum millage for operating purposes, which is set by the State Department of Education.

The FEFP revenues received by the District pursuant to the above formula, including the District's local millage effort, for Fiscal Year 2009-2010 were approximately \$1.3 billion and are expected to be \$1.3 billion in Fiscal Year 2010-2011.

State Categorical Programs. FEFP categorical programs are lump-sum appropriations from the State intended to supplement local school district revenues in order to enhance educational and support services. Among the categorical programs for which the largest appropriations are made are the programs for school bus transportation, instructional materials and class size reduction. Allocations for these categorical appropriations are based on funding formulas and discretionary State Department of Education grants. The majority of funds available therefrom require actual appropriation by the School Board for the purposes for which they were provided. All of the categorical aid programs have been included in the FEFP with the exception of class size reduction.

Total State categorical aid for class size reduction was approximately \$285.6 million in Fiscal Year 2009-2010 and is budgeted at approximately \$296 million for Fiscal Year 2010-2011. See "THE SCHOOL BOARD AND THE DISTRICT – Constitutional Amendments Related to Class Size Reduction and Pre-Kindergarten Legislation" herein.

State Lottery Revenues. A portion of the revenues generated from the State lottery is distributed to each Florida school district as Discretionary Lottery revenue and Florida School Recognition Program revenue. The Florida School Recognition program recognizes schools that have received an "A" or improved at least one letter grade from the previous school year and, under Florida Statutes, is required to be used for nonrecurring bonuses for school faculty and staff, nonrecurring expenditures for educational equipment or materials, for temporary personnel to assist schools in maintaining or improving student performance, or any combination of these.

The District received approximately \$0.7 million in Discretionary Lottery revenue and approximately \$12.8 million in Florida School Recognition revenue in Fiscal Year 2009-2010. The District has budgeted \$0.7 million in Discretionary Lottery revenues and \$12.8 million in Florida School Recognition revenue for Fiscal Year 2010-2011.

Other State Revenues. The District also receives revenue from the State for Workforce Development, Pre-School Projects, Charter School Capital Outlay and other sources. For Fiscal Year 2008-2009, these revenues totaled approximately \$79.8 million and approximately \$72.4 million in Fiscal Year 2009-2010.

Local Sources

Ad Valorem Taxes. Local revenue for District operating support is derived almost entirely from ad valorem real and tangible personal property taxes. In addition, the District earns interest on cash invested and collects other miscellaneous revenues. The Florida Constitution limits the non-voted millage rate that school boards may levy on an annual basis to 10 mills (\$10 per \$1,000 of taxable real and personal property value). Chapter 1011, Florida Statutes, as

amended, further limits the millage levy for operational purposes to an amount established each year by the State appropriations act and finally certified by the Commissioner of the State Department of Education. Within this operational limit, each school district desiring to participate in the State's allocation of FEFP funds for current operations must levy a non voted millage rate that is determined annually by the State Legislature and certified by the Commissioner of the State Department of Education and is referred to as the "district required local effort".

In addition to the "district required local effort," school districts are authorized to levy a non-voted current operating "discretionary millage" for operations, not to exceed an amount established annually by the State Legislature. In Fiscal Year 2008-2009, the discretionary millage for all school districts, including the District, was 0.498. For Fiscal Year 2009-2010 the discretionary millage was 0.748 mills and for Fiscal Year 2010-2011 the discretionary millage is 0.748. In prior recent years, school districts in the State have been authorized to levy a supplemental discretionary millage in an amount not to exceed 0.25 mills. Such additional millage was intended to raise \$100 per full-time equivalent student. For Fiscal Year 2009-2010 there was no separate \$100 per student discretionary levy; instead it has been included in a larger required local effort levy of 0.748 mills. Moneys generated from the levy of the required local effort millage are not available to make Lease Payments on the Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease and the Series 2001B-1 Lease.

District school boards may, by a super majority vote, levy an additional .25 mills for critical operating needs or for critical capital outlay needs. If the optional 0.25 mills is levied for critical operating needs, districts in which 0.25 mills generate less than the State average are to be provided the difference in State funds allocated through the FEFP. In order for a school district to continue this levy after Fiscal Year 2010-2011, the levy must be approved by the voters of such school district in the 2010 general election or a subsequent election held at any time. Such voter approval will only authorize the levy for an additional two-year period. See "REVENUE SOURCES OF THE DISTRICT – Revenues for Capital Projects – Local Capital Outlay Sources" herein. The District is levying the additional .25 mills for critical operating needs in Fiscal Year 2010-2011.

For Fiscal Year 2009-2010, the District levied 5.931 mills for operating purposes under the foregoing provisions and for Fiscal Year 2010-2011 the District is levying 6.131 mills under the foregoing provisions. See "REVENUE SOURCES OF THE DISTRICT - Revenues for Capital Projects - Local Capital Outlay Sources" herein.

Budgeted revenues from ad valorem taxes were historically based on applying millage levies to 95 percent of the non-exempt assessed valuation of real and personal property within the County. However, due to a change in applicable law, revenues derived from ad valorem property taxes are now required to be budgeted on the application of millage levies to ninety-six percent (96%) of the non-exempt assessed valuation of real and personal property within the County. For information relating to the levy of ad valorem taxes, see "AD VALOREM TAX PROCEDURES" herein.

The Legislative Office of Economic and Demographic Research of the Florida Legislature (the “EDR”) projects declines in the assessed value of property subject to taxation by the District beginning in 2009. Based on the March 2010 EDR estimate, the District’s preliminary budget for Fiscal Year 2010-2011 assumes a decline in assessed property values of 12.1% from the prior year. These declines in assessed valuation are expected to have a negative impact on revenues of the District from ad valorem taxes available for operations and have required reductions in the operating budget of the District. However, the District projects that, even with the projected declines in assessed property valuations, it will be able to collect Capital Outlay Millage Revenues sufficient to make the Lease Payments related to all Outstanding Certificates, including the Series 2010B Certificates. See “RISK FACTORS - Capital Outlay Millage” herein.

Federal Sources

The District receives certain federal moneys, both directly and through the State, substantially all of which are restricted for specific programs. Direct federal revenue sources were approximately \$2.1 million in Fiscal Year 2009-2010 and are projected to be \$1.7 million in Fiscal Year 2010-2011. Federal funds through the State totaled approximately \$5.0 million in Fiscal Year 2009-2010 and are projected to be \$7.2 million in Fiscal Year 2010-2011. Such funds are not available to make Lease Payments on the Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease and the Series 2001B-1 Lease.

Revenues for Capital Projects

The District derives its revenues for capital projects from certain State and local sources. The major categories of these revenue sources are briefly described below.

State Sources

PECO. The primary source of State educational funding contributions for the District’s capital outlay requirements historically has been the Florida Public Education Capital Outlay Program (PECO). The method of allocating funds to the various school districts within the State is provided by State law based upon a statutory formula, a component of which is the number of students in the various districts. The State Commissioner of Education administers PECO and allocates or reallocates funds as authorized by law. [PECO funds of approximately \$16.9 million were allocated to the District for Fiscal Year 2008-2009. Funding in the amount of approximately \$15.4 million was budgeted for Fiscal Year 2009-2010 based on District needs. The Florida Department of Education estimates that PECO funds of approximately \$11.6 million will be allocated to the District for Fiscal Year 2010-2011.]

CO&DS Funds. The District receives a portion of the revenues generated by the State from the sale and renewal of motor vehicle licenses. The distributed revenues are designated as capital outlay and debt service (“CO&DS”) funds. CO&DS funds can be used by the District to make Lease Payments, but only if the facilities being lease purchased appear on the project priority list approved by the State Board of Education. [The District received approximately \$1.0 million of CO&DS funds in Fiscal Year 2008-2009 and approximately \$1.0 million of

CO&DS funds in Fiscal Year 2009-2010. The District expects to receive approximately \$1.2 million of CO&DS funds in Fiscal Year 2010-2011.]

State Indebtedness on Behalf of the District

Capital Outlay Bonds. The State of Florida Board of Education Capital Outlay Bonds are serviced entirely by the State using a portion of the District's share of revenue derived from automobile registrations. The annual sinking fund requirements are determined by the State Board of Administration and amounts necessary to retire bonds and pay interest are withheld from amounts due to the District.

Classrooms for Kids Program (Capital Outlay Class Size Reduction). Pursuant to Section 1013.735(1), Florida Statutes, the Florida Department of Education has allocated funding in the State's General Appropriations Act for capital outlay class size reduction. See "THE SCHOOL BOARD AND THE DISTRICT – Constitutional Amendments Related to Class Size Reduction and Pre-Kindergarten Legislation" herein. The funds are to be expended for the construction, renovation, remodeling or repair of educational facilities that are in excess of projects identified in the DEFP adopted prior to March 12, 2003. The funds also may be used for the purchase of relocatable facilities that are in excess of the DEFP adopted prior to March 12, 2003. To participate in the Classrooms for Kids program, the District completed a certificate acknowledging that an Interlocal Agreement required by Section 1013.33, Florida Statutes, had been entered into and that the facilities records within the Florida Inventory of School Houses pursuant to Section 1013.31, Florida Statutes, were current and accurate.

Local Capital Outlay Sources

The Local Option Millage Levy. In addition to the millage levies for operating purposes, school boards may set an additional non-voted millage known as the "Local Option Millage Levy" for capital outlay and maintenance purposes. This levy may be used for specified capital outlay and maintenance purposes, including new construction and remodeling; site acquisition and site improvement; auxiliary or ancillary facilities; maintenance, renovation, and repair of existing school plants; school bus purchases; and amounts payable pursuant to lease purchase agreements for educational facilities and sites.

Proceeds of the Local Option Millage Levy may be used for payments due under lease purchase agreements for educational facilities and sites in an amount not to exceed three-fourths (75%) of the proceeds of the Local Option Millage Levy. Such 75% portion of the proceeds of the Local Option Millage Levy actually levied is referred to herein as the "Capital Outlay Millage Revenues."

Reductions in Local Option Millage Levy. The Florida Legislature reduced the maximum amount of Local Option Millage Levy from 2.0 mills to 1.75 mills in 2008. In its 2009 session, the Florida Legislature amended Section 1011.71 Florida Statutes, effective on July 1, 2009, relating to the Local Option Millage Levy and the permitted use thereof for Lease Payments. The legislation provides for the following: (i) a reduction of the maximum Local Option Millage Levy from 1.75 mills to 1.50 mills; (ii) a waiver of the three-fourths limit on use of proceeds

from the Local Option Millage Levy for lease-purchase agreements entered into before June 30, 2009 for the 2009-2010 fiscal year; (iii) if the revenue from 1.50 mills is insufficient to make the payments due under a lease-purchase agreement entered into prior to June 30, 2009 or to meet other critical fixed capital outlay needs, authorization for school districts to levy up to 0.25 additional mills for capital improvement needs in lieu of an equivalent amount of the discretionary mills for operations as provided in the State General Appropriation Act; and (iv) authorization for school boards, by a super majority vote, to levy an optional 0.25 mills for critical capital outlay needs or for critical operating needs. In order for a school district to continue the levy described in (iv) above, it must be approved by the voters of such school district in the 2010 general election or a subsequent election held at any time. Such voter approval will only authorize the levy for an additional two year period. See “AD VALOREM TAX PROCEDURES – Constitutional Amendments,” and “RISK FACTORS - Capital Outlay Millage Revenues” herein.

The District assessed a Local Option Millage Levy of 1.75 mills in Fiscal Year 2008-2009 and has assessed the maximum amount of the levy, 1.5 mills, in Fiscal Year 2009-2010. For the five years prior to 2008 the District assessed a Local Option Millage Levy of 2.0 mills.

In conjunction with the reduction of the Local Option Millage Levy described in clause (i) hereof, the State's Commissioner of Education has increased the amount of the basic discretionary millage for each school district in the State, which results in a shift of the millage (and associated tax revenues) from capital outlay and maintenance purposes to operational purposes. The reduction of the maximum permitted Local Option Millage Levy will therefore directly reduce the amount of funds available to make Lease Payments with respect to certificates of participation issued in connection with the Master Lease unless action is taken pursuant to clauses (iii) or (iv) to levy an additional 0.25 mills for capital purposes. The District did not levy an additional 0.25 mills for critical capital needs in Fiscal Year 2009-2010 pursuant to the authorization described in clause (iv) above. [The District is levying the additional 0.25 mills for critical operating needs, not capital needs, for Fiscal Year 2010-2011.]

The Local Option Millage Levy constitutes the primary source of funds to make lease payments in respect of the Series 2010B Certificates. The District is not required to levy any millage for capital outlay purposes in the future. Since the Capital Outlay Millage Revenues from the Local Option Millage Levy may be used for, but are not pledged to, the payment of Basic Lease Payments under the Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease and the Series 2001B-1 Lease, the failure of the District to levy all or a portion of the Local Option Millage Levy would have an adverse effect on available revenues from which the School Board may appropriate funds to make Basic Lease Payments.

Projected declines in assessed valuation of property subject to ad valorem taxation are likely to have a negative impact on revenues of the District from ad valorem taxes, including Capital Outlay Millage Revenues. However, the District projects that, even with the projected declines in assessed property valuations, it will be able to collect Capital Outlay Millage Revenues sufficient to make the Lease Payments related to all Outstanding Certificates, including the Series 2010B Certificates. See “Local Option Millage Levy Required to Cover Combined Maximum Annual Basic Lease Payments” below. Also see “RISK FACTORS -

Capital Outlay Millage” herein and “APPENDIX A – GENERAL INFORMATION CONCERNING BROWARD COUNTY, FLORIDA.”

Educational Impact Fees. The County has enacted a County-wide educational impact fee program, which imposes educational impact fees on all new residential construction occurring in the County. Revenues generated through educational impact fee levies are deposited into an educational impact fee trust account and must be used solely for the purpose of providing growth-necessitated capital improvements to educational plants and ancillary plants of the District’s school system which have been approved by the School Board in its capital budget consistent with the District’s school plant survey filed with the Florida Department of Education. Such revenues are also available to, but not pledged for, the payment of debt service on obligations of the District (including without limitation, lease purchase obligations), the proceeds of which are used to finance the acquisition and construction of qualifying educational and ancillary plants.

The educational impact fees are subject to revision and repeal by the Board of County Commissioners of the County. Further, various bills have been introduced in the Florida Legislature over the past several years that would eliminate the ability of certain governmental entities, including the County or District, to levy impact fees for the construction or remodeling of educational facilities. To date, such bills have not been passed. However, there can be no assurance that future legislation will not be introduced and enacted that restricts, or eliminates, the District’s ability to receive such impact fees. Impact fees may only be used to pay for facilities in the service area where the impact fees were collected.

The following table sets forth the educational impact fee revenues received by the School Board during the last five fiscal years of the District.

**The School District of Broward County, Florida
Educational Impact Fee Revenues**

Fiscal Year	Revenues
2004-05	\$10,268,473
2005-06	9,742,046
2006-07	6,855,047
2007-08	2,687,296
2008-09	497,725

Source: The School District of Broward County, Florida.

There can be no assurance that impact fee revenues will be available to the District in the future, as impact fee rates, as well as their levy, are subject to the discretion of the Board of County Commissioners of the County. In addition, revenue collections will also vary depending on the rate at which the impact fees are imposed, the categories of building on which they are imposed and the rate of building in the County, all of which are outside the control of the School Board. The table set forth above does not, therefore, provide a reliable indication of the amount

of revenues the School Board can expect to receive in future years from the levy of educational impact fees.

Local Option Millage Levy Required to Cover Combined Maximum Annual Basic Lease Payments

The table below sets forth the estimated Local Option Millage Levy that would provide Capital Outlay Millage Revenues sufficient to produce 1.00x coverage of the maximum annual Basic Lease Payment represented by the Prior Certificates and the Series 2010B Certificates (referred to in this table as the “Outstanding Certificates”), assuming a collection rate of 95% of the Local Option Millage Levy. Coverage is calculated both at the actual interest rate with respect to the Series 2010B Certificates (the "Stated Interest Rate").

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**Anticipated Local Option Millage Levy
Required to Cover Combined Maximum Annual Basic Lease Payments
Represented by the Outstanding Certificates**

	<u>Fiscal Year 2010-2011</u>
Net Taxable Assessed Valuation	\$ 139,194,767,936 ⁽¹⁾
Funds generated from Local Option Millage Levy assuming a levy of 1.50 mills	\$ 198,352,544 ⁽²⁾
Local Option Millage Levy Legally Available to make Lease Payments assuming 75% of the 1.50 mills is Available	\$ 156,594,114
<i>Calculation at Stated Interest Rate⁽³⁾</i>	
Maximum Combined Annual Lease Payment represented by the Outstanding Certificates	\$ 162,271,357 ⁽⁴⁾
Minimum Millage Required to Produce 1.00x Coverage of Maximum Annual Basic Lease Payments represented by the Outstanding Certificates	1.227 mills
Minimum Local Option Millage Levy Required under Applicable Law to Produce 1.00x Coverage of Maximum Annual Basic Lease Payments represented by the Outstanding Certificates	1.636 mills ⁽⁵⁾

Source: The School District of Broward County, Florida.

- (1) 2010 tax year, based on July 1, 2010 valuation of the Broward County Property Appraiser; prior to adjustments on appeals from taxpayers. See "RECENT GOVERNMENTAL ACTIONS AFFECTING DISTRICT REVENUES" and "RISK FACTORS - Capital Outlay Millage Revenues" for information concerning recently adopted constitutional amendments and legislation and other factors that could adversely impact future taxable assessed valuation.
- (2) This number calculated using 95% of the net taxable assessed valuation. For information regarding factors that could adversely affect Capital Outlay Millage Revenues see "RISK FACTORS - Capital Outlay Millage Revenues" and the assumptions noted in "CERTIFICATE PAYMENT SCHEDULE FOR OUTSTANDING CERTIFICATES" herein.
- (3) Estimate only, based on a principal amount of \$300,000,000 and an assumed Stated Interest Rate of _____% with respect to the Series 2010B Certificates.
- (4) Maximum Annual Combined Lease Payments occur in year 2025.
- (5) Assumes only three-fourths of such levy is available to make Lease Payments. See "RECENT GOVERNMENTAL ACTIONS AFFECTING DISTRICT REVENUES – Reduction in Local Option Millage Levy; Further Reduction in Local Option Millage Levy" herein for information regarding certain legislation that reduced the maximum Local Option Millage Levy available to make Lease Payments on the Series 2010B Certificates to 1.50 mills (was 1.75 mills for Fiscal Year 2008-2009 and 2.00 mills for prior Fiscal Years).

The aggregate Lease Payments represented by the Outstanding Certificates estimated for the years 2018 to 2026 are greater than the total Capital Outlay Millage Revenues currently available for payment of the Outstanding Certificates based on the 2010 tax year. The Capital Outlay Millage Revenues available in 2010 have been adversely affected by the severe declines in property values over the past three years. However, the District projects that, even with the current and projected declines in assessed property valuations, it will have legally available revenues sufficient to make the Lease Payments related to all Outstanding Certificates, including the Series 2010B Certificates. See "RISK FACTORS – Capital Outlay Millage Revenues" herein.

Other Revenues

General Obligation Debt.

In addition to the local option millage levy, qualified electors, by referendum, may vote an additional millage levy for District operation and capital outlay purposes, as prescribed by the Florida constitution and applicable statutes. Qualified electors within the District may authorize the issuance of general obligation bonds to be retired by a millage levy. The District currently has no general obligation bonds outstanding.

The District currently has no issuance capacity remaining under its general obligation school bond authorization for new projects. The approval of the majority of the qualified electors voting in a new referendum would be required to issue additional general obligation debt for school construction and renovation. Principal and interest on any authorized and outstanding general obligation bonds would be paid from ad valorem school district taxes levied on all taxable real and personal property within the District, excluding exempt property as required by Florida law. See “SELECTED FINANCIAL INFORMATION – Outstanding Debt” and “AD VALOREM TAX PROCEDURES” herein.

Federal Stimulus Revenues.

The District's budget for Fiscal Year 2009-2010 included federal targeted stimulus funds, as provided in the American Recovery and Reinvestment Act of 2009 (the "Recovery Act"). These funds included \$90.8 million of the state fiscal stabilization funds provided to the State of Florida, which were included by the State in its FEFP funding. This is not new funding to the District as the State reduced its funding by that same amount. The District also received federal stimulus funds in Fiscal Year 2009-2010 in the amounts of \$64.5 million in order to support exceptional education students in the District, \$49.7 million to support low socio-economic students, \$4.3 million in federal workforce development funds, and about \$1.3 million in other stimulus funds. The District expects to receive approximately \$43.3 million in federal workforce development funds for Fiscal Year 2010-2011.

RECENT GOVERNMENTAL ACTIONS AFFECTING DISTRICT REVENUES

Legislative Ad Valorem Tax Reduction Initiative for Cities and Counties

In 2007 the Florida Legislature adopted a property tax plan that required counties, cities and special districts to roll back their millage rates for the 2007-2008 fiscal year to a level that, with certain adjustments and exceptions, generated no more than the ad valorem tax revenues generated in Fiscal Year 2006-2007. The plan also limits how much the aggregate amount of ad valorem tax revenues may increase in future fiscal years. School districts are not required to comply with the particular provisions of the legislation relating to limitations on increases in future years.

Constitutional Amendments Concerning Ad Valorem Tax Exemptions

There have been numerous amendments to the Constitution of the State of Florida affecting ad valorem property taxes. See "AD VALOREM TAX PROCEDURES – Constitutional Amendments" herein.

Reduction in Local Option Millage Levy

Reduction in Local Option Millage Levy. In its 2008 session, the Florida Legislature amended Section 1011.71(2), Florida Statutes, to reduce the maximum millage rate that school districts may levy for capital outlay and maintenance purposes (referred to in this Offering Statement as the Local Option Millage Levy) from 2.0 mills to 1.75 mills commencing with Fiscal Year 2008-2009. In conjunction with such reduction, the Florida Legislature increased the amount of the required local effort millage for school districts in the State which resulted in a shift of the millage (and associated tax revenues) from capital outlay and maintenance purposes to operational purposes.

As further discussed in "REVENUE SOURCES OF THE DISTRICT – Revenues for Capital Projects – Local Capital Outlay Sources" above, the Local Option Millage Levy constitutes the primary source of funds to make Lease Payments with respect to the Series 2010B Certificates, as well as any other Certificates issued in connection with the Master Lease. Accordingly, such reduction may adversely impact the District's ability to finance additional educational facilities under the Master Lease Program in the future.

Further Reduction in Local Option Millage Levy. Amendments to Section 1011, Florida Statutes, enacted in 2009 provide for the following: (i) a reduction of the maximum Local Option Millage Levy from 1.75 mills to 1.50 mills; (ii) a waiver of the three-fourths limit on use of proceeds from the Local Option Millage Levy for lease-purchase agreements entered into before June 30, 2009 for the 2009-2010 fiscal year; (iii) if the revenue from 1.50 mills is insufficient to make the payments due under a lease-purchase agreement entered into prior to June 30, 2009 or to meet other critical fixed capital outlay needs, authorization for school districts to levy up to 0.25 additional mills for capital improvement needs in lieu of an equivalent amount of the discretionary mills for operations as provided in the State General Appropriation Act; and (iv) authorization for school boards, by a super majority vote, to levy an optional 0.25 mills for critical capital outlay needs or for critical operating needs. If used for operations, districts in which 0.25 mills generate less than the State average are to be provided the difference in State funds allocated through the FEFP.

In order for a school district to continue the levy described in clause (iv) above beyond Fiscal Year 2010-2011, the levy must be approved by the voters of such school district at the 2010 general election or a subsequent election held at any time. Such voter approval will only authorize the levy for an additional two-year period.

In conjunction with the reduction of the Local Option Millage Levy described in clause (i) hereof, the State's Commissioner of Education has increased the amount of the basic discretionary millage for each school district in the State, which results in a shift of the millage

(and associated tax revenues) from capital outlay and maintenance purposes to operational purposes. The reduction of the maximum permitted Local Option Millage Levy will therefore directly reduce the amount of funds available to make Lease Payments with respect to certificates of participation issued in connection with the Master Lease unless action is taken pursuant to clauses (iii) or (iv) to levy an additional 0.25 mills for capital purposes.

As further discussed in “REVENUE SOURCES OF THE DISTRICT - Operating Revenues - Local Capital Outlay Sources,” the Local Option Millage Levy constitutes the primary source of funds to make Lease Payments in respect of the Series 2010B Certificates, as well as any other Certificates issued in connection with the Master Lease. Any reduction in the maximum Local Option Millage Levy may therefore directly reduce the amount of funds available to make Lease Payments. See “RISK FACTORS - Capital Outlay Millage Revenues” herein.

AD VALOREM TAX PROCEDURES

General

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

Local ad valorem property taxes are levied by the application of the millage rate to the assessed valuation of non-exempt property within the County. Under the laws of the State, the assessment of all taxable real and tangible personal property and the collection of all county, municipal and school district property taxes are consolidated in the office of the County Property Appraiser and County Tax Collector.

The following uses of real property are generally exempt from ad valorem taxation: religious, educational, charitable, scientific, literary and governmental. In addition, there are special exemptions for widows, hospitals, nursing homes, certain disabled persons, homesteads, homes for the aged, disabled veterans, and low-income senior citizens, and there are additional exemptions authorized by the Constitution of the State of Florida which may be enacted by the State of Florida. Agricultural land, noncommercial recreational land, inventory and livestock are assessed at less than 100% of fair market value.

The “homestead exemption” exempts from taxation the first \$25,000 of the assessed valuation of a residence occupied by the owner on a permanent basis as of January 1 of the year of valuation. Under Florida law, local jurisdictions have the option of granting an additional homestead exemption for low-income senior citizens. The Broward County Board of County Commissioners approved the senior exemption on November 9, 1999, effective November 1, 2001, to provide an additional \$25,000 homestead exemption for a residence occupied by a qualifying senior citizen on a permanent basis as of January 1 of the year of valuation.

Constitutional Amendments

Save Our Homes Amendment

By voter referendum held on November 3, 1992, Article VII, Section 4 of the Florida Constitution was amended by adding thereto a subsection which, in effect, limits the increases in assessed just value of homestead property to the lesser of (1) three percent of the assessment for the prior year or (2) the percentage change in the Consumer Price Index for all urban consumers, U.S. City Average, all items 1967 = 100, or successor reports for the preceding calendar year as initially reported by the United States Department of Labor, Bureau of Labor Statistics. Further, the amendment provides that (1) no assessment shall exceed just value, (2) after any change of ownership of homestead property or upon termination of homestead status, such property shall be reassessed at just value as of January 1 of the year following the year of sale or change of status, (3) new homestead property shall be assessed at just value as of January 1 of the year following the establishment of the homestead, and (4) changes, additions, reductions or improvements to homestead shall initially be assessed as provided for by general law, and thereafter as provided in the amendment. Because of the offsetting impact of new residential construction within the County on assessed just value of homestead property, the amount of the adverse impact of such amendment on the collection of ad valorem taxes, if any, cannot be accurately ascertained.

In the November 7, 2006 general election, the voters of Florida approved amendments to the State Constitution which provide for an increase in the homestead exemption to \$50,000 from \$25,000 for certain low-income seniors, effective January 1, 2007, and provide a discount from the amount of ad valorem taxes for certain permanently disabled veterans, effective December 7, 2006. Such amendments have not produced any significant negative impact on the District's collection of ad valorem taxes. The extent to which these amendments may negatively impact the ad valorem tax collections of the District in future years is not currently known.

January 2008 Amendments

In the January 29, 2008 special election, the voters of Florida approved amendments to the State Constitution that exempt certain portions of a property's assessed value from taxation, and in certain cases limit increases in assessed value of non-homestead property. The following is a brief summary of certain important provisions contained in such amendments:

1. Provides for an additional \$25,000 exemption for the assessed value of homestead property to increase the homestead exemption to \$50,000 (for property owners using the standard homestead exemption, thus doubling the existing homestead exemption for property with an assessed value equal to \$50,000 or greater) and \$75,000 (for property owners eligible to use one of the special homestead exemptions and having property with an assessed value equal to or greater than \$75,000). See "AD VALOREM TAX PROCEDURES - General" for a description of the homestead exemption. This exemption does not apply to school district taxes.

2. Permits owners of homestead property to transfer their "Save Our Homes" benefit (up to \$500,000) to a new homestead property purchased within two years of the sale of their

previous homestead property to which such benefit applied if the just value of the new homestead is greater than or is equal to the just value of the prior homestead. If the just value of the new homestead is less than the just value of the prior homestead, then owners of homestead property may transfer a proportional amount of their “Save Our Homes” benefit, such proportional amount equaling the just value of the new homestead divided by the just value of the prior homestead multiplied by the assessed value of the prior homestead. See “AD VALOREM TAX PROCEDURES - General” for a description of the “Save Our Homes” benefit. This exemption applies to all taxes, including school district taxes.

3. Exempts from ad valorem taxation \$25,000 of the assessed value of property subject to tangible personal property tax. This limitation applies to all taxes, including school district taxes.

4. Limits increases in the assessed value of non-homestead property to 10% per year, subject to certain adjustments. The cap on increases would be in effect for a 10 year period, subject to extension by an affirmative vote of electors. This limitation does not apply to school district taxes.

The amendments are effective for the 2008 tax year (2008-2009 fiscal year for local governments). While certain members of the Florida Legislature publicly indicated that they would seek to replace the ad valorem revenues lost by school districts with other revenue sources, the Florida Legislature approved significant budget cuts for education during its 2009 special session. See “RISK FACTORS – State Revenues” herein.

A lawsuit challenging the constitutionality of at least part of the amendments was filed prior to the referendum approval by the voters. In Bruner v. Hartsfield, filed in the Circuit Court in and for Leon County, Florida in November 2007, new Florida homestead owners (having paid ad valorem taxes for the past four years) filed a class action lawsuit challenging the constitutionality of the Save Our Homes assessment cap and the portability provision. See “AD VALOREM TAX PROCEDURES - General” herein for information relating to the Save Our Homes assessment cap. The lawsuit charges that Save Our Homes constitutes an unlawful residency requirement for tax benefits on substantially similar property, in violation of the State Constitution’s Equal Protection provisions and the Privileges and Immunities Clause of the Fourteenth Amendment to the United States Constitution. The lawsuit argues that the portability provision simply extends the unconstitutionality of the tax shelters granted to long-term homeowners by Save Our Homes. The lawsuit requests a declaration of the unconstitutionality of both provisions and injunctive action preventing continued application of those provisions. On October 29, 2008, the Circuit Court dismissed the plaintiffs’ complaint with prejudice. The plaintiffs appealed the decision to the First District Court of Appeals, and on November 17, 2009 the First District Court of Appeals affirmed the Circuit Court’s final order of dismissal. The plaintiffs appealed the case to the Florida Supreme Court and on May 24, 2010 the Florida Supreme Court refused to hear the appeal and let stand the First District Court of Appeal’s affirmation of the lower court decision.

On October 18, 2007, the same Circuit Court, in Lanning v. Pilcher, a case filed by out-of-state residents challenging the constitutionality of the Save Our Homes assessment cap,

rejected the plaintiffs' arguments that the Save our Homes assessment cap violates either the Commerce Clause or the Privileges and Immunities Clause of the United States Constitution or the Equal Protection Clause of either the United States or Florida Constitutions and dismissed the plaintiffs' allegations with prejudice. The Lanning Court noted that its decision was limited to the plaintiffs' complaints regarding the Save Our Homes assessment cap. The plaintiffs appealed the case to the First District Court of Appeals. On August 26, 2009 the First District Court of Appeals affirmed the lower Court decision. The plaintiffs appealed the case to the Florida Supreme Court and on May 24, 2010 the Florida Supreme Court refused to hear the appeal and let stand the First District Court of Appeal's affirmation of the lower court decision.

A lawsuit brought by out-of-state residents (DeLuccio v. Havill) challenging the constitutionality of the Save Our Homes assessment cap and the portability provision was filed with the same Circuit Court as the Lanning case on May 2, 2008 naming the School Boards of Miami-Dade, Lake, Manatee, and Lee Counties, among other defendants. The allegations and relief requested by the plaintiffs in each of these cases are very similar, except that the portability provision was not challenged in Lanning v. Pilcher since the case was filed prior to the approval of the amendments implementing portability. On November 4, 2008 the Circuit Court in DeLuccio dismissed the plaintiffs' complaint with prejudice. The plaintiffs have appealed the decision to the First District Court of Appeals, which, as noted above, rejected similar arguments in Lanning v. Pilcher with similarly situated plaintiffs. On November 17, 2009 the First District Court of Appeals determined that the Circuit Court erroneously concluded it lacked subject matter jurisdiction over the issues presented and therefore remanded the case back to the Circuit Court for consideration of the merits of the case.

November 2008 Amendments

In the November 4, 2008 general election the voters of Florida approved amendments to the State Constitution providing the Florida Legislature with authority to enact exemptions or special assessment protections for certain types of property subject to ad valorem taxation, including exemptions for conservation lands and residential wind damage resistance and renewable energy source improvements, and restrictions on the assessment of working waterfront properties.

Proposed Constitutional Amendments Relating to Ad Valorem Taxation

In the 2009 session the Florida Legislature enacted a bill proposing to amend the State Constitution that could affect the District's ad valorem tax collections. Among other things, such legislation proposes amendment to Article VII, Section 4 of the State Constitution which will be submitted to the electors of the State for approval or rejection at the next general election (to be held in November 2010). The proposed amendment would provide an additional homestead exemption to members of the military deployed on active duty outside the US during the preceding year equal to the portion of the year that they were so deployed. The proposed amendment will only take effect if at least 60% of the persons voting in the election approve the amendments. In the event that these bills are approved by the required percentage of the voters, they will take effect January 1, 2011. **At this time, it is impossible to estimate with any certainty the level of impact that this constitutional amendment, if approved, will have on the District.**

Property Assessment Procedure

The laws of the State require that all taxable real and tangible personal property must be assessed at fair market value, with some exceptions. Real and personal property valuations are determined each year as of January 1 by the County Property Appraiser's Office. The County Property Appraiser submits the tax roll to the Florida Department of Revenue for review and determination of, among other things, whether the tax roll meets the requirements of State law regarding just valuation. Each taxpayer is given notice by mail of the proposed property taxes and the assessed property value for the current year, and the dates, times and places at which budget hearings are scheduled to be held.

The property owner has the right to file an appeal of the determination of assessed value with the Value Adjustment Board (the "Adjustment Board"), which considers petitions relating to assessments and exemptions. The Adjustment Board is composed of members of the School Board and the Board of County Commissioners. The decision of the Adjustment Board may be appealed to the Circuit Court. The Adjustment Board certifies the assessment roll upon completion of the hearing of appeals to it. Millage rates are then computed by the various taxing authorities and certified to the County Property Appraiser, who applies the millage rates to the assessment roll. This procedure creates the tax roll, which is then certified and turned over to the County Tax Collector.

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The following table reflects the assessed value of the County’s taxable property during the last ten fiscal years in thousands.

Broward County, Florida
Net Assessed Value of Taxable Property
Last Ten Fiscal Years (in thousands)

Fiscal Year Ended June 30	Assessed Value⁽¹⁾		Exemptions⁽²⁾		Net Assessed Value
	Real Property	Personal Property	Real Property	Personal Property	
2000	80,858,651	7,197,587	17,653,747	108,398	70,294,093
2001	87,894,629	7,600,786	19,503,027	110,171	75,882,217
2002	96,746,510	7,361,194	22,132,853	107,046	81,867,806
2003	113,848,917	7,680,054	29,375,911	108,446	92,044,614
2004	133,033,884	7,904,298	36,863,946	97,406	103,976,830
2005	152,761,535	7,736,460	44,300,477	107,407	116,090,111
2006	182,205,008	7,858,592	56,377,574	113,389	133,572,637
2007	228,312,740	8,133,702	77,337,384	83,781	159,025,277
2008	255,456,494	7,983,385	86,564,782	104,821	176,770,276
2009	239,733,615	7,993,405	70,349,768	160,322	177,216,930

Source: The School Board of Broward County, Florida Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2009, citing Broward County Property Appraiser.

- (1) The basis of assessed value is approximately 100% of actual value. Assessed values are projected to decline. See “RISK FACTORS - Capital Outlay Millage Revenues” herein.
- (2) Exemptions allowed by Florida Statutes, Chapter 196.

The County assesses and collects all ad valorem taxes within the County. While only one tax bill per property owner emanates from the County, the bill represents ad valorem taxes levied by the County, the District and other taxing authorities.

Millage Rates

The Florida Constitution limits the aggregate of ad valorem taxes that may be levied on real and personal property. The limitation, is ten mills each for all County, municipal and school purposes. The millage limitation is not applicable to taxes levied for the payment of bonds approved by the voters or bond issues to refund such bonds at a lower net average interest rate. Further, the millage limitation does not apply to taxes established by the voters for special tax district purposes.

Section 1011.71, Florida Statutes requires that participation by a school district in the State allocation of school funds be conditioned upon the levy of lower millage rates than those prescribed by law, which includes certain discretionary components. See “REVENUE SOURCES OF THE DISTRICT – Operating Revenues – Local Sources” for discussion of the millage limitation described above.

Each respective millage rate, except as limited by law, is set on the basis of estimates of revenue needs and the total taxable property valuations within the taxing authority’s respective jurisdiction. Ad valorem taxes are not levied in excess of actual budget requirements. In setting millage rates, the District is required by State law to assume a 95% tax collection rate.

Historical Millages

The following table contains historical and current millage levels for the District:

The School District of Broward County, Florida Tax Millage Rates

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>
General Fund:					
Required Local Effort	4.9920	4.8150	5.0190	5.1830	5.3830 ⁽¹⁾
Discretionary	<u>0.6870</u>	<u>0.6620</u>	<u>0.6480</u>	<u>0.7480</u>	<u>0.7480</u>
Sub Total	5.6790	5.4770	5.6670	5.9310	6.1310
Debt Service	0.1897	0.1714	0.0000	0.0000	0.0000
Capital Improvement	<u>2.0000</u>	<u>2.0000</u>	<u>1.7500</u>	<u>1.5000</u>	<u>1.5000</u>
Total	<u>7.8687</u>	<u>7.6484</u>	<u>7.4170</u>	<u>7.4310</u>	<u>7.6310</u>

Source: The School District of Broward County, Florida.

(1) Includes critical need operating millage of 0.25 mills.

Pursuant to Article VII of the Constitution of the State of Florida, the District may not levy ad valorem taxes, exclusive of voted taxes levied for the payment of bonds, in excess of 10 mills. The District has levied 7.6310 non-voted mills for the Fiscal Year ending June 30, 2011.

Truth in Millage Bill

The 1980 Florida Legislature enacted the Truth in Millage Bill (the "Trim Bill") requiring that only legislative bodies, including school districts, fix the millage rate, and requiring that all property be assessed at 100% of just value. The Trim Bill prohibits the millage for taxing authorities from being set by referendum. The following table sets forth the tax rates in dollars per \$1,000 of taxable valuation for the County for the fiscal years 2000 through 2009.

Property Tax Rates Direct and Overlapping Governments For Last Ten Fiscal Years

Fiscal Year Ended <u>September 30</u>	<u>County</u>	<u>Schools</u>	<u>Special Taxing Districts⁽¹⁾</u>	<u>Total</u>
2000	7.5710	9.1283	.6970	17.3963
2001	7.5250	8.9553	.6970	17.1773
2002	7.4005	8.7541	.6970	16.8516
2003	7.3650	8.8825	.6970	16.9445
2004	7.1880	8.4176	.6970	16.3026
2005	7.0230	8.2695	.6970	15.9895
2006	6.7830	8.0623	.6970	15.5423
2007	6.0660	7.8687	.6970	14.6317
2008	5.2868	7.6484	.6240	13.5592
2009	5.3150	7.4170	.6240	13.3560

Source: School Board of Broward County, Florida 2009 Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2009, citing Broward County Property Appraiser.

(1) Includes South Florida Water Management and Florida Inland Navigation Districts.

Collection of Ad Valorem Taxes

All taxes are due and payable on November 1 of each year or as soon thereafter as the tax roll is certified and delivered to the County Tax Collector. A notice is mailed to each property owner on the tax roll for the taxes levied by the County, the District and other taxing authorities. Taxes may be paid upon receipt of such notice with discounts at the rate of 4% if paid in the month of November; 3% if paid in the month of December; 2% if paid in the month of January; and 1% if paid in the month of February. Taxes on real and personal property become delinquent on April 1 of the year following the year in which they are levied. All taxes collected are remitted by the County Tax Collector to the governmental unit levying the taxes.

Delinquent real property taxes bear interest at the rate of 1.5% per month from April 1, or within sixty (60) days after the mailing of the original tax notice of the final tax rate, whichever is later, until a certificate is sold at auction, from which time the interest rate will be as bid by the buyer of the tax certificate. Delinquent tangible personal property taxes also bear interest at a rate of 1.5% per month from April 1 until paid. Tax certificates for delinquent personal property taxes must be advertised within 45 days after delinquency, and after May 1 the property is subject to warrant, levy, seizure, and sale.

State law provides that tax liens are superior to all other liens, except prior United States Internal Revenue Service liens. The Tax Collector advertises once each week for four consecutive weeks and sells tax certificates to the lowest bidder, based on the interest rate bid, commencing on or before June 1 for unpaid tax bills. Tax certificates not sold at auction convert to County ownership.

If the owner of real property subject to a tax certificate does not redeem the certificate within two years, the holder of the certificate is entitled to apply for a tax deed of sale and the highest bidder at such sale receives a tax deed for the property subject to the tax certificate. To redeem a tax certificate, the owner of the property must pay all delinquent taxes, the interest that accrued prior to the date of the sale of the tax certificate, charges incurred in connection with the sale of the tax certificate, omitted taxes, if any, and interest at the rate bid on the tax certificate from the date of the sale of the tax certificate to the date of redemption. The interest rate on a tax certificate is a minimum of five percent, unless the interest bid on the certificate is a lower rate.

The face value of all tax certificates, including taxes owed the District, which converted to County ownership following the auction of such certificates during each of the last five years is as follows:

<u>Tax Sale Year</u>	<u>Held by County on June 1</u>
2005	\$ 648,868
2006	426,239
2007	883,709
2008	138,260
2009	182,343

Source: Broward County Tax Collector.

All District taxes are collected for the District by the County Tax Collector. The County Tax Collector is required to distribute taxes collected to each taxing authority at least four times during the first two months after the tax roll comes into its possession and once per month thereafter, unless the County and the taxing authority agree to a different schedule.

Moneys representing debt service millage are credited to the District's debt service funds. Moneys representing capital millage are credited to accounts within the District's Capital Projects Fund. The table below sets forth ad valorem tax levies and tax collections for the periods shown. As noted above under "REVENUE SOURCES OF THE DISTRICT," historical collections may not be indicative of future ad valorem tax collections.

**The School District of Broward County, Florida
Property Tax Levies and Collections
(In Thousands)**

<u>Fiscal Year Ended June 30</u>	<u>Total Tax Levy</u>	<u>Less Adjustments</u>		<u>Net Tax Levy</u>	<u>Total Tax Collections Through June 30</u>	<u>Percent of Total Tax Collections To Net Tax Levy</u>
		<u>Deductions⁽¹⁾</u>	<u>Discounts⁽²⁾</u>			
2006	1,076,903	8,137	36,051	1,032,715	1,025,439	99.30
2007	1,251,323	6,739	40,646	1,203,938	1,194,144	99.19
2008	1,352,010	9,019	42,928	1,300,063	1,289,033	99.15
2009	1,314,419	6,670	42,216	1,265,533	1,249,478	98.73
2010	1,182,168	12,390	38,689	1,131,089	1,115,273	98.60

Source: The School District of Broward County, Florida, Florida Comprehensive Annual financial Report for the Fiscal Year Ended June 30, 2009 for Fiscal Years ending June 30, 2006-2009. The School District of Broward County, Florida for Fiscal Year ending June 30, 2010.

(1) Deductions reflecting adjustments by Value Adjustment Board.

(2) Reflects discounts for early payment.

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SELECTED FINANCIAL INFORMATION

Following is selected financial information regarding the District. For more detailed financial information concerning the District, see “APPENDIX B -- Basic Financial Statements of The School Board of Broward County, Florida for the Fiscal Year Ended June 30, 2009.”

General

The Association of School Business Officials International has awarded the District a Certificate of Excellence in Financial Reporting for the past twenty five consecutive years and, for the last twelve consecutive years, the District has received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada. Both awards are given to recognize the high quality of financial reporting undertaken by the District.

The financial and accounting procedures of the District are designed to conform to generally accepted accounting principles applied to governmental units. The District’s accounting system is organized on the basis of funds. Resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled. The accounts for the governmental and agency fund types are maintained on a modified accrual basis of accounting, whereby revenues are recognized when they become available and measurable and expenditures are recorded in the accounting period in which the liability is incurred, if measurable, except unmatured interest on general long term debt, which is recognized when the interest is due. The internal service funds are maintained on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred.

The District’s governmental funds are used to account for the programs and activities of the governmental functions of the District. The General Fund serves as the primary operating fund of the District. Local ad valorem taxes, FEFP and selected State categorical programs constitute the primary resources of the General Fund. The Special Revenue Funds of the District are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted or committed to expenditures for specific purposes. Major sources of revenue for these funds are federal grants and food sales. The Debt Service Funds of the District are used to account for the payment of interest and principal on general long-term debt. Major sources of revenue for these funds include the voter-approved millage levy, non-voted special millage levy and the State Board of Education revenue. Capital Project Funds of the District are used to account for financial resources to be used for the acquisition or construction of major capital facilities and equipment. Major sources of revenue for these funds are local ad valorem taxes, PECO distributions, State Classrooms First program distributions, and State Classrooms for Kids program distributions. See “REVENUE SOURCES OF THE DISTRICT” for a description of the revenues available to the District for operating and capital needs.

Revenues and Expenditures

The following table shows revenues, expenditures and changes in fund balances for all governmental fund types, on a combined and condensed basis, for the past five Fiscal Years.

The School District of Broward County, Florida
Combined-Condensed Schedule of Revenues, Expenditures and Changes in Fund Balances
All Governmental Fund Types
(In Thousands)
For the Fiscal Years Ended June 30

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
REVENUES:					
Local Sources:					
Ad valorem taxes	\$ 1,028,902	\$ 1,197,247	\$ 1,293,158	\$ 1,258,970	\$ 1,129,024
Food sales	24,563	29,663	29,461	27,896	24,794
Interest income and other	<u>105,386</u>	<u>33,350</u>	<u>119,777</u>	<u>101,359</u>	<u>66,431</u>
Total Local Sources	<u>1,158,851</u>	<u>1,360,260</u>	<u>1,442,396</u>	<u>1,388,225</u>	<u>1,220,249</u>
State Sources:					
Florida education finance program	730,797	679,652	616,014	486,418	502,051
Discretionary lottery funds	13,656	10,833	13,012	6,608	749
Public education capital outlay	31,662	19,626	42,761	25,570	10,894
Classrooms for kids	4,386	--	62,957	--	--
Other	<u>274,891</u>	<u>342,176</u>	<u>397,823</u>	<u>389,270</u>	<u>326,109</u>
Total State Sources	<u>1,055,392</u>	<u>1,052,287</u>	<u>1,132,567</u>	<u>907,866</u>	<u>839,803</u>
Federal Sources:					
Food service	42,638	45,381	51,096	55,767	62,534
Other	<u>200,218</u>	<u>188,273</u>	<u>185,369</u>	<u>196,824</u>	<u>352,119</u>
Total Federal Sources	<u>242,856</u>	<u>233,654</u>	<u>236,465</u>	<u>252,591</u>	<u>414,653</u>
Total Revenues	<u>2,457,099</u>	<u>2,646,201</u>	<u>2,811,428</u>	<u>2,548,682</u>	<u>2,474,705</u>
EXPENDITURES:					
Current Operating:					
Total Instructional Services	1,284,930	1,364,798	1,427,580	1,455,381	1,396,303
Instructional support services	237,445	249,491	254,565	258,476	239,841
Pupil transportation services	80,005	83,450	89,126	88,616	97,486
Operation and maintenance	225,552	242,697	247,274	247,376	242,354
School administration	118,487	127,287	130,432	131,907	129,519
General administration	98,451	124,842	116,385	107,400	99,396
Food services	<u>84,848</u>	<u>83,855</u>	<u>87,492</u>	<u>86,656</u>	<u>83,625</u>
Total current operating	<u>2,129,718</u>	<u>2,276,510</u>	<u>2,352,854</u>	<u>2,375,812</u>	<u>2,288,524</u>
Debt Service:					
Principal retirement	97,361	102,083	106,839	89,484	79,303
Interest charges and other	<u>71,273</u>	<u>96,128</u>	<u>107,318</u>	<u>103,359</u>	<u>101,653</u>
Total debt service	<u>168,634</u>	<u>198,211</u>	<u>214,157</u>	<u>192,843</u>	<u>180,956</u>
Capital outlay	<u>466,848</u>	<u>485,903</u>	<u>460,678</u>	<u>479,578</u>	<u>249,683</u>
Total Expenditures	<u>2,765,200</u>	<u>2,960,624</u>	<u>3,027,689</u>	<u>3,048,233</u>	<u>2,719,163</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (308,101)</u>	<u>\$ (314,423)</u>	<u>\$ (216,261)</u>	<u>\$ (499,551)</u>	<u>\$ (244,458)</u>

For the Fiscal Years Ended June 30

(unaudited)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010⁽¹⁾</u>
OTHER FINANCING SOURCES					
Proceeds from capital leases	\$ 81,355	\$ --	\$ 10,896	\$ 16,972	\$ 8,902
Proceeds of bonds sold	460	40,757	4,875	--	4,217
Premium (discount) on long-term debt	--	--	4,627	(816)	--
Proceeds from sale of fixed assets and	257	217	386	3,211	626
Proceeds of Certificates of Participation	273,845	286,320	270,560	133,963	--
Payments to refund Bond escrow accounts	--	(41,396)	--	--	(3,001)
Loss recoveries	2,750	2,928	200	198	7,116
Operating transfers in	167,598	230,279	260,734	353,096	251,564
Operating transfers out	<u>(167,598)</u>	<u>(230,279)</u>	<u>(260,734)</u>	<u>(281,849)</u>	<u>(251,564)</u>
Total Other Financing Sources	<u>58,667</u>	<u>288,826</u>	<u>291,544</u>	<u>224,775</u>	<u>17,860</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under)					
Expenditures and Other Financing Uses	<u>50,566</u>	<u>(25,597)</u>	<u>75,283</u>	<u>(274,776)</u>	<u>(226,598)</u>
Fund Balances, Beginning of Year	<u>984,545</u>	<u>1,035,111</u>	<u>1,009,514</u>	<u>1,084,797</u>	<u>810,021</u>
Fund Balances, End of Year	<u>\$ 1,035,111</u>	<u>\$1,009,514</u>	<u>\$ 1,084,797</u>	<u>\$ 810,021</u>	<u>\$ 583,423</u>

(1) Unaudited.

Source: The School District of Broward County, Florida.

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The following table shows revenues, expenditures and changes in fund balances for the General Fund for the past five Fiscal Years.

The School District of Broward County, Florida
Statements of Revenues, Expenditures and Changes in Fund Balance - General Fund
(In Thousands)
For the Fiscal Years Ended June 30

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010⁽¹⁾</u>
REVENUES:					
Local Sources:					
Ad valorem taxes	\$ 745,440	\$ 864,254	\$ 926,121	\$ 961,492	\$ 900,582
Interest income and other	60,013	65,137	81,015	67,332	54,831
Total Local Sources	<u>805,453</u>	<u>929,391</u>	<u>1,007,136</u>	<u>1,028,824</u>	<u>955,413</u>
State Sources:					
Florida education finance program	730,797	679,652	616,014	486,418	502,051
Other	273,907	336,644	383,012	371,654	303,254
Total State Sources	<u>1,004,704</u>	<u>1,016,296</u>	<u>999,026</u>	<u>858,072</u>	<u>805,305</u>
Federal Sources:					
Other	18,817	7,458	8,910	10,620	9,990
Total Federal Sources	<u>18,817</u>	<u>7,458</u>	<u>8,910</u>	<u>10,620</u>	<u>9,990</u>
Total Revenues	<u>1,828,974</u>	<u>1,953,145</u>	<u>2,015,072</u>	<u>1,897,516</u>	<u>1,770,708</u>
EXPENDITURES:					
Instructional Services	1,171,192	1,260,988	1,308,781	1,332,757	1,157,539
Instructional support services	193,136	202,951	200,268	201,089	175,474
Pupil transportation services	78,336	81,672	87,513	86,846	72,009
Operation and maintenance	224,978	242,153	246,744	247,177	238,894
School administration	117,512	126,133	130,152	131,904	125,712
General administration	90,822	119,494	115,169	106,883	92,960
Capital outlay & Debt Service	1,189	4,188	4,958	2,300	656
Total Expenditures	<u>1,877,165</u>	<u>2,037,579</u>	<u>2,093,585</u>	<u>2,108,956</u>	<u>1,863,244</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(48,191)</u>	<u>(84,434)</u>	<u>(78,513)</u>	<u>(211,440)</u>	<u>(92,536)</u>
OTHER FINANCING SOURCES					
Capital lease	5,540	--	--	5,222	--
Operating transfers in	41,004	72,661	99,303	177,611	80,845
Operating transfers out	(925)	(6,175)	(3,759)	(2,335)	(3,816)
Total Other Financing Sources	<u>45,619</u>	<u>66,486</u>	<u>95,544</u>	<u>180,498</u>	<u>7,029</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(2,572)</u>	<u>(17,948)</u>	<u>17,031</u>	<u>(30,942)</u>	<u>(15,507)</u>
Fund Balances, Beginning of Year	<u>119,388</u>	<u>116,816</u>	<u>98,868</u>	<u>115,899</u>	<u>84,957</u>
Fund Balances, End of Year	<u>\$ 116,816</u>	<u>\$ 98,868</u>	<u>\$ 115,899</u>	<u>\$ 84,957</u>	<u>\$ 69,450</u>

(1) Unaudited.

Source: The School District of Broward County, Florida.

The following table shows revenues, expenditures and changes in fund balances for the Capital Projects Fund for the past five Fiscal Years.

The School District of Broward County, Florida
Statement of Revenues, Expenditures and Changes in Fund Balance - Capital Projects Fund
(In Thousands)
For the Fiscal Years Ended June 30

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010⁽¹⁾</u>
REVENUES:					
Local Sources:					
Ad valorem taxes	\$ 255,196	\$ 304,126	\$ 338,057	\$ 297,268	\$ 228,391
Interest income and other	<u>41,857</u>	<u>58,629</u>	<u>32,837</u>	<u>28,588</u>	<u>6,958</u>
Total Local Sources	<u>297,053</u>	<u>362,755</u>	<u>370,894</u>	<u>325,856</u>	<u>235,349</u>
State Sources:					
Public education capital outlay	31,662	19,626	42,761	25,570	10,894
Classrooms for Kids	4,386	--	62,957	--	--
Other	<u>2,812</u>	<u>4,778</u>	<u>12,813</u>	<u>11,859</u>	<u>11,706</u>
Total State Sources	<u>38,860</u>	<u>24,404</u>	<u>118,531</u>	<u>37,429</u>	<u>22,600</u>
Federal Sources:					
Grants and Other	<u>6,965</u>	<u>18,456</u>	<u>2,825</u>	<u>6,222</u>	<u>--</u>
Total Federal Sources	<u>6,965</u>	<u>18,456</u>	<u>2,825</u>	<u>6,222</u>	<u>--</u>
Total Revenues	<u>342,878</u>	<u>405,616</u>	<u>492,250</u>	<u>369,507</u>	<u>257,949</u>
EXPENDITURES:					
Capital outlay and other	463,689	483,704	459,143	478,396	249,683
Debt Service - interest and fiscal charges	<u>2,749</u>	<u>2,561</u>	<u>5,088</u>	<u>2,285</u>	<u>1,868</u>
Total Expenditures	<u>466,438</u>	<u>486,265</u>	<u>464,231</u>	<u>480,681</u>	<u>251,551</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(123,560)</u>	<u>(80,650)</u>	<u>28,019</u>	<u>(111,174)</u>	<u>6,398</u>
OTHER FINANCING SOURCES (USES):					
Proceeds of other long term obligations	458	--	4,875	---	1,191
Proceeds from sale of fixed assets and land	257	217	386	3,211	626
Proceeds of Certificates of Participation	273,847	272,625	270,560	133,963	--
Premium (discount) on long term debt	--	13,695	4,627	(916)	--
Proceeds of Capital Leases	75,815	--	10,896	11,750	8,902
Other loss recoveries	--	2,928	200	198	7,116
Operating transfers in	2,750	4,500	3,500	3,443	3,750
Operating transfers out	<u>(165,669)</u>	<u>(223,427)</u>	<u>(256,078)</u>	<u>(275,176)</u>	<u>(246,954)</u>
Total Other Financing	<u>187,458</u>	<u>70,538</u>	<u>38,966</u>	<u>(123,427)</u>	<u>(225,369)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>63,898</u>	<u>(10,112)</u>	<u>66,985</u>	<u>(234,601)</u>	<u>(218,971)</u>
Fund Balances, Beginning of Year	<u>826,330</u>	<u>890,228</u>	<u>880,116</u>	<u>947,101</u>	<u>712,500</u>
Fund Balances, End of Year	<u>\$ 890,228</u>	<u>\$ 880,116</u>	<u>\$ 947,101</u>	<u>\$ 712,500</u>	<u>\$ 493,529</u>

(1) Unaudited.

Source: The School District of Broward County, Florida.

Outstanding Debt

Set forth below is selected information regarding outstanding debt of the District. For more detailed financial information concerning the District, see "APPENDIX B – Basic Financial Statements of The School Board of Broward County, Florida for the Fiscal Year Ended June 30, 2009."

The School District of Broward County, Florida
Direct and Overlapping General Obligation Debt
June 30, 2009
(in thousands)

Direct Debt	
Certificates of Participation	\$ 1,980,665
Special Obligation Bonds ⁽¹⁾	<u>71,050</u>
Total Direct Debt	\$ 2,051,715
Overlapping Debt ⁽²⁾	
Broward County ⁽³⁾	<u>\$ 446,330</u>
Total Direct and Overlapping General Obligation Debt	<u>\$ 2,498,045</u>

Source: The School Board of Broward County, Florida Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2009.

- (1) Special obligation debt is payable from motor vehicle and gross receipts taxes.
- (2) Overlapping debt includes only general obligation debt secured by ad valorem taxes as of September 30, 2009.
- (3) Because the County and the District coincide, the percentage of overlap is 100%.

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The School District of Broward County, Florida
Other Obligations Outstanding
August 31, 2010 (Unaudited)

<u>Description</u>	<u>Principal Amount Outstanding</u>
<u>Bonds Payable:</u>	
<u>Capital Outlay Bond Issues:</u> ⁽¹⁾	
State Board of Education, Capital Outlay Bonds, Series 2001-A	1,635,000
State Board of Education, Capital Outlay Bonds, Series 2002-A	6,950,000
State Board of Education, Capital Outlay Bonds, Series 2002-B	12,085,000
State Board of Education, Capital Outlay Bonds, Series 2003-A	7,685,000
State Board of Education, Capital Outlay Bonds, Series 2005-A	24,875,000
State Board of Education, Capital Outlay Bonds, Series 2005-B	3,430,000
State Board of Education, Capital Outlay Bonds, Series 2006-A	280,000
State Board of Education, Capital Outlay Bonds, Series 2008-A	4,615,000
State Board of Education, Capital Outlay Bonds, Series 2009-A	<u>3,635,000</u>
Sub-Total State Board Bonds:	<u>\$ 65,190,000</u>
 <u>Certificates of Participation</u> ⁽²⁾ :	
Refunding Certificates of Participation, Series 1997A	\$ 7,320,000
Refunding Certificates of Participation, Series 1997B	8,015,000
Certificates of Participation, Series 2000 QZAB	1,052,138
Certificates of Participation, Series 2001A	179,620,000
Certificates of Participation, Series 2001 QZAB	1,104,362
Certificates of Participation, Series 2001B	107,085,000
Certificates of Participation, Series 2003A	170,535,000
Certificates of Participation, Series 2004A	50,505,000
Certificates of Participation, Series 2004B	71,920,000
Certificates of Participation, Series 2004C	75,535,000
Certificates of Participation, Series 2004D	113,825,000
Certificates of Participation, Series 2004 QZAB	583,682
Certificates of Participation, Series 2005A	168,590,000
Certificates of Participation, Series 2005B	44,460,000
Certificates of Participation, Series 2006A	202,105,000
Certificates of Participation, Series 2006B	65,000,000
Certificates of Participation, Series 2007A	249,805,000
Certificates of Participation, Series 2008A	270,560,000
Certificates of Participation, Series 2009A (Tax Exempt)	20,140,000
Certificates of Participation, Series 2009A Build America Bonds)	63,910,000
Certificates of Participation, Series 2009A QSCB	49,913,000
Certificates of Participation, Series 2010A QSCB	<u>51,645,000</u>
Sub-Total Certificates of Participation:	<u>\$1,973,228,182</u>
TOTAL LONG-TERM DEBT OUTSTANDING:	<u>\$2,038,418,182</u>

Source: The School District of Broward County, Florida.

- (1) The capital outlay bond issues are retired by the State using a portion of the District's share of revenue from the sale of license plates. The State Board of Administration determines the sinking fund requirements for these bonds annually. The sinking fund balance at August 31, 2010 is not available as of the date hereof. The sinking fund balance at June 30, 2009 was \$ 1.9 million.
- (2) Subject to annual appropriation.

Florida Retirement System

The State has established the State of Florida Retirement System (“FRS”) for state, county, municipal and school district employees. All employees hired after 1970, and those employed prior to 1970 who elected to be enrolled, are covered by the FRS. Accordingly, substantially all employees of the District are covered by the FRS. The Division of Retirement, Department of Administration of the State of Florida administers the FRS. Contribution rates are established by law for all participating governmental units. State law provides that employers, such as the District, are obligated to contribute 9.85% of the salary of regular members, 16.53% of the salary of Board members, 13.12% of the salary of senior management service members, and 20.92% of the salary of special risk members for the Fiscal Year ended June 30, 2009. For the Fiscal Year ended June 30, 2009, the District contributed \$139.4 million, which was equal to the required contribution for such year.

Employees hired prior to 1970 and not electing to enroll in the FRS may be covered by alternate contributory plans, principally the Teachers’ Retirement System Plan E, administered by the FRS. State law requires the District to contribute 11.35% of the earnable compensation of members to these plans. See Note 16 in “APPENDIX B – Basic Financial Statements Of The School Board Of Broward County, Florida For The Fiscal Year Ended June 30, 2009” for additional information regarding the retirement plans.

Other Post-Employment Benefits

In addition to its contributions under the State’s retirement plan described above, the District provides other postemployment benefits (“OPEB”) for certain of its retired employees in the form of an implicit rate subsidy by providing access to health insurance plans. The offering of this health insurance coverage is required by Section 112.0801, Florida Statutes. As with all governmental entities offering similar plans, the District is required to comply with Governmental Accounting Standard Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* (“GASB 45”).

In Fiscal Year 2008, the District implemented GASB 45 for certain postemployment benefits, including continued coverage for the retiree and dependents in the medical/prescription plans as well as participation in the dental group plan sponsored by the District. In addition, retirees are eligible to continue the employer-sponsored term life insurance policy provided by the District. GASB 45’s basic concept is to more fully disclose the costs of employment by requiring governmental units to recognize the cost of an employee’s OPEB during the period of service in their financial statements. While GASB 45 requires recognition and disclosure of the unfunded OPEB liability, there is no requirement that the liability of such plan be funded. As defined in GASB 45, a significant expense recognizing the past and future costs of providing OPEB benefits is required to be recorded annually. The requirement of GASB 45 was implemented prospectively, with the actuarially determined liability of \$162,963,842 at January 1, 2009 being amortized over 29 years.

The District has historically accounted for its OPEB contributions on a pay-as-you-go basis and the District currently plans to continue such funding of its OPEB contributions. For

Fiscal Year 2008-2009, approximately 1,007 retirees of the District received post-employment benefits. For such Fiscal Year the District provided required employer contributions toward the annual OPEB cost in the amount of \$6,288,020. The pay-as-you-go method of funding OPEB allows the District to continue to pay only the current OPEB costs each Fiscal Year but will produce for the future a growing unfunded actuarial liability.

The OPEB cost is calculated based on the Annual Required Contribution (“ARC”) of the employer, an amount actuarially determined in accordance with the parameters of GASB 45. The following is a summary of changes for the District’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District’s net OPEB obligation for the Fiscal Year ended June 30, 2009 (in thousands):

	<u>FY 2009</u>
Annual Required Contribution (ARC)	
Normal Cost	\$ 10,419
Amortization of Unfunded Actuarial	
Accrued Liability (UAAL)	6,758
ARC	17,177
Interest on net OPEB Obligation	268
Adjustment to ARC	<u>(231)</u>
Annual OPEB cost (expense)	17,214
Less: Contributions Made	<u>(6,288)</u>
Net OPEB Obligation Increase	10,926
Net OPEB Obligation, Beginning of Year	<u>6,697</u>
Net OPEB Obligation, End of Year	<u>\$ 17,623</u>

For additional information see Note 15 of “APPENDIX B – Basic Financial Statements of The School Board of Broward County, Florida for the Fiscal Year Ended June 30, 2009.”

THE SERIES 1991A-1 FACILITIES, SERIES 1992A-1 FACILITIES, SERIES 2001A-1 FACILITIES AND SERIES 2001B-1 FACILITIES

General

The proceeds of the Series 2010B Certificates are being used to refund the Refunded Certificates, the proceeds of which were used for the lease purchase financing of (i) the acquisition, construction, installation and equipping of the Series 1991A-1 Facilities, the Series 1992A-1 Facilities, the Series 2001A-1 Facilities, and the Series 2001B-1 Facilities, (ii) the leasing of the Series 1991A-1 Facility Sites, the Series 1992A-1 Facility Sites, the Series 2001A-1 Facility Sites and the Series 2001B-1 Facility Sites by the School Board to the Corporation pursuant to the Series 1991A Ground Lease, Series 1992A Ground Lease, Series 2001A-1 Ground Lease and the Series 2001B-1 Ground Lease respectively, and (iii) the subleasing of the Series 1991A-1 Facility Sites, the Series 1992A-1 Facility Sites, the Series 2001A-1 Facility Sites and the Series 2001B-1 Facility Sites back to the School Board pursuant to the Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease and the Series 2001B-1 Lease respectively.

and the Series 1992A-1 Lease, as set forth in the Series 1992A-1 Lease. See “APPENDIX C-Forms of Certain Legal Documents-Form of Amended and Restated Schedule 1992A-1.”]

Series 2001A-1 Facilities

Set forth below are the Series 2001A-1 Facilities, which have been lease purchased with a portion of the proceeds of the Series 2001A Certificates.

Series 2001A-1 Facilities

<u>Facility</u>	<u>Total Project Cost</u>
High School “III” (Miramar)	\$57,783,068
South Broward High School	48,912,711
Dillard High School	43,408,564
Middle School “LL” (Parkland)	26,862,000
Elementary School “O”Coconut Creek)	16,993,170
Elementary School “P” (Weston)	14,593,170
Primary Learning Center (Circle Site)	4,891,737
North Central Area Superintendent’s Office	3,600,000
	\$217,044,420

*[Constitutes an Overlapping Facility under the Series 2001A-1 Lease. In the event of a default and termination of all Leases, the proceeds derived from exercising any of the remedies available under the Master Lease with respect to each Overlapping Facility will be allocated to the Prior Lease under which a portion of such Facility was financed and the Series 2001A-1 Lease, as set forth in the Series 2001A-1 Lease. See “APPENDIX C-Forms of Certain Legal Documents-Form of Amended and Restated Schedule 2001A-1.”]

Series 2001B-1 Facilities

Set forth below are the Series 2010B-1 Facilities, which have been lease purchased with a portion of the proceeds of the Series 2010B Certificates.

Series 2010B-1 Facilities

<u>Facility</u>	<u>Total Project Cost</u>
Atlantic Technical Center	\$6,637,800
Broward Estates Elementary School	3,311,192
Castle Hill Elementary School	7,369,583
Deerfield Beach High School	12,425,824
Driftwood Elementary School	5,713,129
Elementary School “R”	15,671,820
Fort Lauderdale High School	26,661,414
High School “GGG”	36,941,100
Martin Luther King Elementary School	3,914,051
Robert Markham Elementary School	3,369,498
North Area School of Choice	13,699,620
Pompano Beach High School	30,605,220
Southwest Bus Parking/Maintenance	8,166,571
	\$174,486,822

*[Constitutes an Overlapping Facility under the Series 2010B-1 Lease. In the event of a default and termination of all Leases, the proceeds derived from exercising any of the remedies available under the Master Lease with respect to each Overlapping Facility will be allocated to the Prior Lease under which a portion of such Facility was financed and the Series 2010B-1 Lease, as set forth in the Series 2010B-1 Lease. See “APPENDIX C-Forms of Certain Legal Documents-Form of Amended and Restated Schedule 2010B-1.”]

Substitution

To the extent permitted by law, on or after the Completion Date, the School Board may substitute for any Series 1991A-1 Facility, Series 1992A-1 Facility, Series 2001A-1 Facility, or Series 2001B-1 Facility, other facilities owned by the School Board provided such substituted facilities (a) have the same or greater remaining useful life, (b) have a fair market value equal to or greater than the Facilities for which they are substituted, and (c) are of substantially equal utility as the Facilities to be replaced and provide essential governmental services, and, in the case of Series 1991A-1 Facilities, Series 1992A-1 Facilities, Series 2001A-1 Facilities, or Series 2001B-1 Facilities, that such substituted facilities (d) are free and clear of all liens and encumbrances, except Permitted Encumbrances, and (e) are approved for substitution by the State Department of Education., and upon receipt of the prior written consent of the Insurer when required under the Trust Agreement or the applicable Lease.

In addition, to the extent permitted by law, prior to the Completion Date the School Board may release and/or substitute for any Series 1991A-1 Facility, Series 1992A-1 Facility, Series 2001A-1 Facility, or Series 2001B-1 Facility to be acquired, constructed or installed, other facilities to be acquired, constructed or installed, provided that (1) any facilities substituted satisfy the requirements of clauses (a), (c), (d) and (e) above, as applicable, and (2) following such substitution and/or release, the sum of (x) with respect to Series 1991A-1 Facility, Series 1992A-1 Facility, Series 2001A-1 Facility, or Series 2001B-1 Facility for which a Certificate of Acceptance has not been delivered, the Cost of the acquisition, construction and installation of Series 1991A-1 Facility, Series 1992A-1 Facility, Series 2001A-1 Facility, or Series 2001B-1 Facility, plus (y) with respect to any Series 1991A-1 Facility, Series 1992A-1 Facility, Series 2001A-1 Facility, or Series 2001B-1 Facility for which a Certificate of Acceptance has been delivered, the fair market value of the Series 1991A-1 Facility, Series 1992A-1 Facility, Series 2001A-1 Facility, or Series 2001B-1 Facility financed under the Series 1991A-1 Lease, Series 1992A-1 Lease, Series 2001A-1 Lease or Series 2001B-1 Lease is greater than or equal to the remaining principal portion of the Basic Lease Payments under the applicable Lease.

In order to effect such substitution, the Series 1991A-1 Facility, Series 1992A-1 Facility, Series 2001A-1 Facility, or Series 2001B-1 Facility to be replaced will be released from the encumbrance of the applicable Series 1991A-1 Lease, Series 1992A-1 Lease, Series 2001A-1 Lease or Series 2001B-1 Lease and the applicable Series 1991A Ground Lease, Series 1992A Ground Lease, Series 2001A-1 Ground Lease, or Series 2001B-1 Ground Lease, and the facilities to be substituted shall be incorporated into the applicable Series 1991A-1 Lease, Series 1992A-1 Lease, Series 2001A-1 Lease or Series 2001B-1 Lease and the Series 1991A Ground Lease, Series 1992A Ground Lease, Series 2001A-1 Ground Lease, or Series 2001B-1 Ground Lease. With respect to any Series 1991A-1 Facility, Series 1992A-1 Facility, Series 2001A-1 Facility, or Series 2001B-1 Facility, at the time of any such substitution, there must be delivered an opinion of counsel as described in the Series 1991A-1 Lease, Series 1992A-1 Lease, Series

2001A-1 Lease or Series 2001B-1 Lease, as applicable, and a policy of leasehold title insurance (if required by the Insurer).

ESTIMATED SOURCES AND USES OF FUNDS

It is estimated that all funds received from the sale and delivery of the Series 2010B Certificates will be used as follows:

	Total
Sources of Funds	
Par Amount	\$
Original Issue Discount/Premium	
Total Estimated Sources of Funds	
 Use of Funds	
Deposit to Escrow Deposit Trust Fund	
Deposit to Series 2010B Cost of Issuance Subaccount*	
Underwriters' Discount	
Total Estimated Uses of Funds	

* To pay certain costs of issuance of the Series 2010B Certificates, including, without limitation, printing costs, fees of co-special tax counsel, and fees of the co-financial advisors, and the premium for the financial guaranty insurance policy..

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SERIES 2010B CERTIFICATES PAYMENT SCHEDULE

<u>Period Ending</u>	<u>Principal Portion</u>	<u>Interest Portion*</u>	<u>Period Total*</u>	<u>Annual Total*</u>
7/1/11				
1/1/12				
7/1/12				
1/1/13				
7/1/13				
1/1/14				
7/1/14				
1/1/15				
7/1/15				
1/1/16				
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1/1/25				
7/1/25				
1/1/26				
7/1/26				

* Preliminary, subject to change

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**CERTIFICATE PAYMENT SCHEDULE FOR PRIOR CERTIFICATES,
AND SERIES 2010B CERTIFICATES**

Period Ending (July 1)	Prior Certificates	Series 2010B Certificates	Total
2011	\$ 151,276,592.95		
2012	150,052,378.37		
2013	150,062,025.45		
2014	154,236,530.92		
2015	154,223,394.25		
2016	154,237,152.58		
2017	154,236,936.75		
2018	152,262,497.57		
2019	152,258,762.18		
2020	152,326,215.92		
2021	152,322,277.60		
2022	152,260,083.11		
2023	152,242,167.25		
2024	152,192,391.02		
2025	153,899,591.41		
2026	153,904,867.25		
2027	116,092,053.92		
2028	115,602,053.51		
2029	101,212,495.35		
2030	86,545,416.00		
2031	70,042,579.50		
2032	49,280,100.50		
2033	31,868,948.50		
2034	11,733,479.50		
TOTAL	\$3,024,371,027.36		

**CERTIFICATE PAYMENT SCHEDULE FOR OUTSTANDING
PRIOR CERTIFICATES⁽¹⁾**

<u>Period Ending</u>	<u>1997A</u>	<u>1997B</u>	<u>2000 QZAB⁽²⁾</u>	<u>2001 QZAB</u>	<u>2001A</u>	<u>2001B</u>	<u>2003A</u>	<u>2004A</u>	<u>2004B</u>	<u>2004C</u>
7/1/2011	\$ 7,686,000.00	\$ 4,325,787.50	\$ 350,712.44	\$ 368,120.83	\$21,386,512.50	\$ 8,489,400.00	\$14,561,033.76	\$8,728,637.50	\$ 3,699,000.00	\$ 10,125,373.76
7/1/2012		4,325,775.00	350,712.44	368,120.83	8,623,612.50	5,271,937.50	14,560,743.76	8,725,587.50	10,509,000.00	10,141,193.76
7/1/2013			350,712.44	368,120.83	8,623,612.50	5,271,937.50	14,558,493.76	8,722,087.50	14,853,500.00	10,127,881.26
7/1/2014					8,623,612.50	5,271,937.50	14,559,412.50	8,725,837.50	15,198,750.00	10,128,081.26
7/1/2015					8,623,612.50	5,271,937.50	14,561,212.50	8,721,362.50	15,198,000.00	10,030,262.50
7/1/2016					8,623,612.50	5,271,937.50	14,559,112.50	8,723,662.50	15,203,662.50	10,135,987.50
7/1/2017					8,623,612.50	5,271,937.50	14,558,312.50	8,725,225.00	15,198,100.00	10,115,462.50
7/1/2018					23,658,612.50	14,646,937.50	14,559,245.00			10,138,937.50
7/1/2019					23,656,687.50	14,643,031.26	14,561,442.50			10,128,000.00
7/1/2020					23,659,387.50	14,647,250.00	14,558,667.50			6,178,175.00
7/1/2021					23,657,637.50	14,646,750.00	14,558,755.00			
7/1/2022					23,659,137.50	14,645,250.00	14,560,755.00			
7/1/2023					23,656,637.50	14,646,500.00	14,560,250.00			
7/1/2024					23,654,712.50	14,644,000.00	14,562,000.00			
7/1/2025					23,659,500.00	14,646,500.00	14,561,500.00			
7/1/2026					23,656,500.00	14,642,250.00	14,562,500.00			
7/1/2027							14,558,500.00			
7/1/2028							14,558,250.00			
7/1/2029										
7/1/2030										
7/1/2031										
7/1/2032										
7/1/2033										
7/1/2034										
	\$ 8,651,562.50	\$ 7,686,000.00	\$ 1,052,137.32	\$ 1,104,362.49	\$ 286,047,000.00	\$ 171,929,493.76	\$ 262,080,186.28	\$ 61,072,400.00	\$ 89,860,012.50	\$ 97,249,355.04

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<u>Period Ending</u>	<u>2004D⁽³⁾</u>	<u>2004 QZAB</u>	<u>2005A</u>	<u>2005B⁽⁴⁾</u>	<u>2006A</u>	<u>2006B⁽⁵⁾</u>	<u>2007A</u>	<u>2008A</u>	<u>2009A ⁽⁶⁾</u>	<u>2010A</u>	<u>Aggregate Debt Service</u>
7/1/2011	\$ 4,767,370.40	\$ 53,062.00	\$ 14,931,280.00	\$ 1,778,400.00	\$ 9,842,067.50	\$ 2,912,000.00	\$ 20,118,173.76	\$ 13,045,965.00	\$ 4,107,696.00	562,144.34	151,838,737.29
7/1/2012	4,754,090.82	53,062.00	14,929,080.00	1,778,400.00	18,122,067.50	2,912,000.00	20,118,333.76	20,400,965.00	4,107,696.00	620,772.90	150,673,151.27
7/1/2013	4,767,370.40	53,062.00	14,931,060.00	1,778,400.00	18,117,867.50	2,912,000.00	20,112,873.76	20,405,350.00	4,107,696.00	620,772.90	150,682,798.35
7/1/2014	4,767,370.40	53,062.00	14,932,860.00	1,778,400.00	18,122,267.50	2,912,000.00	20,113,783.76	20,401,460.00	8,647,696.00	620,772.90	154,857,303.82
7/1/2015	4,860,327.49	53,062.00	14,932,600.00	1,778,400.00	18,120,180.00	2,912,000.00	20,110,221.26	20,402,520.00	8,647,696.00	620,772.90	154,844,167.15
7/1/2016	4,754,090.82	53,062.00	14,931,625.00	1,778,400.00	18,120,212.50	2,912,000.00	20,116,721.26	20,405,370.00	8,647,696.00	620,772.90	154,857,925.48
7/1/2017	4,780,649.99	53,062.00	9,728,975.00	6,983,400.00	18,120,087.50	2,912,000.00	20,113,096.26	20,405,320.00	8,647,696.00	620,772.90	154,857,709.65
7/1/2018	4,754,090.81	53,062.00	5,896,575.00	10,815,200.00	18,120,225.00	2,912,000.00	17,658,596.26	20,401,320.00	8,647,696.00	5,785,272.90	158,047,770.47
7/1/2019	4,767,370.40	53,062.00	5,896,575.00	10,815,400.00	18,116,381.26	2,912,000.00	17,660,046.26	20,401,070.00	8,647,696.00	5,785,272.90	158,044,035.08
7/1/2020	8,772,047.90	53,062.00	5,896,575.00	10,815,800.00	18,121,756.26	2,912,000.00	17,659,046.26	20,404,752.50	8,647,696.00	5,785,272.90	158,111,488.82
7/1/2021	14,952,978.34	53,062.00	5,896,575.00	10,810,800.00	18,120,006.26	2,912,000.00	17,660,265.00	20,405,752.50	8,647,696.00	5,785,272.90	158,107,550.50
7/1/2022	14,944,485.85		16,711,575.00		18,118,506.26	2,912,000.00	17,659,015.00	20,401,662.50	8,647,696.00	5,785,272.90	158,045,356.01
7/1/2023	14,928,549.99		16,710,825.00		18,118,931.26	2,912,000.00	17,657,765.00	20,403,012.50	8,647,696.00	5,785,272.90	158,027,440.15
7/1/2024	14,905,998.76		16,708,075.00		18,118,681.26	2,912,000.00	17,660,515.00	20,405,712.50	8,620,696.00	5,785,272.90	157,977,663.92
7/1/2025	14,910,111.65		16,707,075.00		18,118,931.26	2,912,000.00	17,655,765.00	20,405,512.50	10,322,696.00	5,785,272.90	159,684,864.31
7/1/2026	14,895,124.99		16,707,850.00		18,122,931.26	2,912,000.00	17,657,840.00	20,400,925.00	10,346,946.00	5,785,272.90	159,690,140.15
7/1/2027	14,898,499.16		16,707,350.00		18,118,681.26	2,912,000.00	17,655,390.00	20,405,375.00	10,836,258.50	5,785,272.90	121,877,326.82
7/1/2028	14,871,686.25		16,709,100.00		10,904,681.26	10,137,000.00	17,656,640.00	20,400,625.00	10,364,071.00		115,602,053.51
7/1/2029	14,867,888.35		16,711,350.00			21,013,320.00	17,659,890.00	20,401,625.00	10,558,422.00		101,212,495.35
7/1/2030			16,707,350.00			21,012,880.00	17,658,390.00	20,405,237.50	10,761,558.50		86,545,416.00
7/1/2031						21,000,480.00	17,655,640.00	20,404,662.50	10,981,797.00		70,042,579.50
7/1/2032							17,659,890.00	20,403,237.50	11,216,973.00		49,280,100.50
7/1/2033								20,404,062.50	11,464,922.00		31,868,984.50
7/1/2034									11,733,479.50		11,733,479.50
	\$185,920,102.77	\$583,682.00	\$273,284,330.00	\$60,911,000.00	\$310,664,462.60	\$122,667,680.00	\$405,677,897.60	\$461,921,495.00	\$216,007,867.50	62,139,510.74	3,086,510,538.10

(1) Before refunding of the Refunded Certificates.

(2) Represents payments net of earnings on a guaranteed investment contract pursuant to which the Lease Payments are invested.

(3) Assumes an interest rate based on a swap rate, plus remarketing and other fees, equal to 4.20% for the Series 2004D Certificates. See "RISK FACTORS - 2004D Interest Rate Exchange Agreement" herein.

(4) Assumes a 4.00% interest rate for the unhedged variable rate Series 2005B Certificates.

(5) Assumes an interest rate based on a swap rate, plus remarketing and other fees, equal to 4.48% for the Series 2006B Certificates. See "RISK FACTORS - 2006B Interest Rate Exchange Agreement"

(6) Net of interest subsidy on the portion of the Series 2009A Certificates issued as Build America Bonds, being equal to 35% of the interest component thereof.

THE MASTER LEASE PROGRAM

The School Board has authorized the execution and delivery of the Master Lease between the School Board and the Corporation in order to provide for the lease purchase financing and refinancing from time to time of Facilities. Facilities to be leased from time to time will be identified on separate Schedules to the Master Lease. Upon execution and delivery thereof, each Schedule, together with the provisions of the Master Lease, will constitute a separate Lease. See “APPENDIX C - Forms of Certain Legal Documents – Form of Master Lease Purchase Agreement.”

The Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease and the Series 2001B-1 Lease are four of twenty-three Leases that will be in effect under the Master Lease on the date of issuance of the Series 2010B Certificates. In addition to the Series 1991A-1 Facilities, the Series 1992A-1 Facilities, the Series 2001A-1 Facilities and the Series 2001B-1 Facilities to be leased by the School Board, the School Board is currently leasing [75 elementary schools, 20 middle schools, 27 high schools] and various other facilities pursuant to the Master Lease. Failure to appropriate funds to pay Lease Payments under any Lease will, and an event of default under any Lease may, result in the termination of all Leases, including the Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease and the Series 2001B-1 Lease. Upon any such termination, any proceeds of the disposition of leased Facilities (but not any Facilities excluded under the terms of any Lease) will be applied to payment of the related Series of Certificates, in accordance with the terms of the related Lease and as further described herein. Owners of Series 2010B Certificates shall only have an interest in and be entitled to any proceeds resulting from the disposition of Series 1991A-1 Facilities, the Series 1992A-1 Facilities, the Series 2001A-1 Facilities and the Series 2001B-1 Facilities as set forth in the Schedules thereto. In no event will owners of Series 2010B Certificates have any interest in or right to any proceeds of the disposition of Facilities leased under any other Lease, other than the Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease and the Series 2001B-1 Lease, except as otherwise described herein. See “THE SERIES 1991A-1 LEASE, SERIES 1992A-1 LEASE, SERIES 2001A-1 LEASE AND SERIES 2001B-1 LEASE – Effect of Termination for Non-Appropriation or Default” herein. Each purchaser of Series 2010B Certificates is subject to certain risks and particular attention should be given to the factors described under “RISK FACTORS” herein, which, among others, could affect the market price of the Series 2010B Certificates to an extent that cannot be determined.

THE SERIES 1991A-1 LEASE, SERIES 1992A-1 LEASE, SERIES 2001A-1 LEASE AND SERIES 2001B-1 LEASE

The following is a brief summary of certain provisions of the Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease and the Series 2001B-1 Lease, which is not intended to be definitive. Reference is made to the Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease and the Series 2001B-1 Lease, which are available from the School Board, for the complete text thereof. The forms of the Series 1991A-1 Lease, Series 1992A-1 Lease, Series 2001A-1 Lease and Series 2001B-1 Lease are included in “APPENDIX C – Forms of Certain Legal Documents.”

Authority

The Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease and the Series 2001B-1 Lease are entered into pursuant to the authority granted under Sections 1001.42(9) and 1013.15(2), Florida Statutes, to facilitate the lease purchase financing and refinancing of the Series 1991A-1 Facilities, the Series 1992A-1 Facilities, the Series 2001A-1 Facilities and the Series 2001B-1 Facilities. The Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease and the Series 2001B-1 Lease are further entered into pursuant to [Resolution No. _____ of the School Board adopted on _____, 2010 and Resolution No. _____ adopted by the Corporation on _____, 2010].

Lease Term

Under the Series 1991A-1 Lease the Corporation has leased to the School Board the Series 1991A-1 Facilities for an initial Lease Term from May 15, 1991 to June 30, 1991, which Lease Term is automatically renewable annually on July 1 of each year, through and including June 30 of the following year, commencing July 1, 1991 and ending June 30, 2011, unless sooner terminated in accordance with the provisions of the Series 1991A-1 Lease.

Under the Series 1992A-1 Lease the Corporation has leased to the School Board the Series 1992A-1 Facilities for an initial Lease Term from April 15, 1992 to June 30, 1992, which Lease Term is automatically renewable annually on July 1 of each year, through and including June 30 of the following year, commencing July 1, 1992 and ending June 30, 2012, unless sooner terminated in accordance with the provisions of the Series 1992A-1 Lease.

Under the Series 2001A-1 Lease the Corporation has leased to the School Board the Series 2001A-1 Facilities for an initial Lease Term from May 1, 2001 to June 30, 2001, which Lease Term is automatically renewable annually on July 1 of each year, through and including June 30 of the following year, commencing July 1, 2001 and ending June 30, 2026, unless sooner terminated in accordance with the provisions of the Series 2001A-1 Lease.

Under the Series 2001B-1 Lease the Corporation has leased to the School Board the Series 2001B-1 Facilities for an initial Lease Term from January 1, 2002 to June 30, 2002, which Lease Term is automatically renewable annually on July 1 of each year, through and including June 30 of the following year, commencing July 1, 2002 and ending June 30, 2026, unless sooner terminated in accordance with the provisions of the Series 2001B-1 Lease.

Termination of Lease Term

As described under “SECURITY FOR THE SERIES 2010B CERTIFICATES – Prior Leases and Additional Leases,” the School Board has entered into, and may enter into, Leases in addition to the Prior Leases and the Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease and the Series 2001B-1 Lease. The Lease Term of the Leases, including the respective Series 1991A-1 Lease, Series 1992A-1 Lease, Series 2001A-1 Lease and Series 2001B-1 Lease, will terminate upon the earliest of any of the following events:

- (a) All Leases, including the Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease and the Series 2001B-1 Lease, will terminate on the latest Lease Payment Date set forth in any Lease;
- (b) All Leases, including the Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease and the Series 2001B-1 Lease, will terminate in the event of non-appropriation of funds for the payment of Lease Payments;
- (c) All Leases, including the Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease and the Series 2001B-1 Lease, will terminate upon a default by the School Board with respect to any Lease and the termination of the Lease Term of all Leases by the Trustee pursuant to the Master Lease;
- (d) A particular Lease will terminate upon payment by the School Board of the Purchase Option Price of the particular Facilities leased under such Lease by the School Board or upon provision for such payment pursuant to the Master Lease.

Effect of Termination for Non-Appropriation or Default

Upon termination of the Lease Term for the reasons referred to in (b) or (c) under “THE SERIES 1991A-1 LEASE, SERIES 1992A-1 LEASE, SERIES 2001A-1 LEASE AND SERIES 2001B-1 LEASE – Termination of Lease Term” above, the School Board is required to immediately surrender and deliver possession and control of Facilities financed under all Leases, including the Series 1991A-1 Facilities, the Series 1992A-1 Facilities, the Series 2001A-1 Facilities and the Series 2001B-1 Facilities (but not any Facilities excluded under the terms of any Lease), to the Trustee in the condition, state of repair and appearance required under the Leases and in accordance with the Trustee’s instructions. Upon such surrender, the Trustee (or other transferee) will attempt to sell or re-let its interest in such Facilities in such manner and to such person or persons for any lawful purpose or purposes as it, in its sole discretion, determines to be appropriate. The Trustee shall pursue one or more remedies at the direction of the holders of greater than 50% of the Series 2010B Certificates. The proceeds derived from any such sale or lease of Facilities will be applied first to the payment of the fees and expenses of the Trustee, second to the payment of the Series of Certificates relating to such Facilities and then to the payment of other outstanding amounts as described in said Lease. The proceeds of any such disposition of the Series 1991A-1 Facilities, the Series 1992A-1 Facilities will be applied to the payment of the Series 2010B Certificates to the extent and as provided in the Series 1991A-1 Lease or the Series 1992A-1 Lease, as applicable. The proceeds of any such disposition of the Series 2001A-1 Facilities and the Series 2001B-1 Facilities will be applied pro-rata to the payment of (i) the Series 2001A Certificates remaining Outstanding, (ii) the Series 2004B Certificates, and (iii) the Series 2010B Certificates, to the extent and as provided in the Series 2001A-1 Lease or the Series 2001B-1 Lease, as applicable. Under the Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease and the Series 2001B-1 Lease, the School Board may not be dispossessed of any personal property financed, in whole or in part, with the proceeds of the Series 2010B Certificates. Unless the Insurer is in default of its obligations under the Policy, the Insurer is entitled to control and direct the rights and remedies of the

Trustee. See “RISK FACTORS – Limitation Upon Disposition; Ability to Sell or Relet”. IN NO EVENT WILL OWNERS OF THE SERIES 2010B CERTIFICATES HAVE ANY INTEREST IN OR RIGHT TO ANY PROCEEDS OF THE DISPOSITION OF FACILITIES FINANCED WITH THE PROCEEDS OF ANOTHER SERIES OF CERTIFICATES, EXCEPT FOR ANY CERTIFICATES ISSUED TO COMPLETE THE SERIES 1991A-1 FACILITIES, THE SERIES 1992A-1 FACILITIES, THE SERIES 2001A-1 FACILITIES AND THE SERIES 2001B-1 FACILITIES SERIES OR, TO REFUND SERIES 2010B CERTIFICATES. See “SECURITY FOR THE SERIES 2010B CERTIFICATES – Prior Leases and Additional Leases” and “– Prior Certificates and Additional Certificates” herein. For a discussion of the remedies available to the Trustee and the Corporation if the School Board refuses or fails to voluntarily deliver possession of the Facilities to the Trustee, see “APPENDIX C – Forms of Certain Legal Documents – Master Lease Purchase Agreement”.

There can be no assurance that the remedies available to the Trustee upon any termination of the Lease Term of all Leases for non-appropriation or default and the disposition of the Series 1991A-1 Facilities, the Series 1992A-1 Facilities, the Series 2001A-1 Facilities or the Series 2001B-1 Facilities, will produce sufficient amounts to pay the outstanding Series 2010B Certificates. Further, after such termination of the Lease Term of all Leases, the transfer of Series 2010B Certificates may be subject to the registration provisions of applicable federal and state securities laws. Accordingly, there is no assurance that the liquidity of the Series 2010B Certificates will not be impaired following termination of the Lease Term of the Leases. See “RISK FACTORS” herein.

Lease Payments

Subject to the conditions stated in the Leases, the School Board has agreed to pay all Lease Payments; provided that the School Board is not legally required to appropriate moneys to make Lease Payments. Lease Payments are payable from funds appropriated by the School Board for such purpose from current or other funds authorized by law and regulations of the State Department of Education. None of the District, the School Board, the State, or any political subdivision or agency thereof is obligated to pay, except from appropriated funds, any sums due under the Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease or the Series 2001B-1 Lease from any source of taxation, and the full faith and credit of the District, the School Board, the State or any political subdivision or agency thereof is not pledged for payment of such sums due thereunder. Such sums do not constitute an indebtedness of the District, the School Board, the State or any political subdivision or agency thereof within the meaning of any constitutional or statutory provision or limitation.

On the applicable Lease Payment Date preceding each principal and interest payment date with respect to the Series 2010B Certificates, the School Board will pay to the Trustee the Basic Lease Payments due under the Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease and the Series 2001B-1 Lease due on such date, the aggregate amount of which Basic Lease Payments corresponds to the next succeeding payment due on the Series 2010B Certificates, plus with respect to the Series 2001A-1 Lease, the next succeeding payments due on the Outstanding Series 2001A Certificates and the Series 2004B Certificates allocable to the Series 2001A-1 Facilities, and with respect to the Series 2001B-1 Lease, the next succeeding

payments due on the Outstanding Series 2001B Certificates and the Series 2004B Certificates allocable to the Series 2001B-1 Facilities. The Trustee will deposit the Basic Lease Payments with respect to the Series 2010B Certificates from (i) the Series 1991A-1 Lease to the Series 1991A-1 Lease Payment Account, (ii) the Series 1992A-1 Lease to the Series 1992A-1 Lease Payment Account, (iii) the Series 2001A-1 Lease to the Series 2001A-1 Lease Payment Account, and (iv) the Series 2001B-1 Lease to the Series 2001B Lease Payment Account, as directed by the School Board. In addition to the Sinking Fund Payments described above, the School Board is also required to pay, when due, Additional Lease Payments, consisting, among other things, of payments of the fees and expenses of the Trustee and the Corporation. Lease Payments due under the Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease and the Series 2001B-1 Lease with respect to the Series 2010B Certificates may be reduced, when applicable, by amounts credited as follows:

- (a) The Trustee will deposit into the applicable Lease Payment Account interest income on amounts on deposit in the applicable Acquisition Account in accordance with the applicable Trust Agreement and apply such interest income as provided in the applicable Trust Agreement.
- (b) Upon the earlier to occur of (i) completion of construction of the applicable Facilities and payment of all costs of such Facilities and (ii) the termination of the Expenditure Period, the amounts, if any, remaining on deposit in the applicable Acquisition Account shall be transferred to the applicable Prepayment Payment Account to be applied to the prepayment of Basic Lease Payments represented by Series 2010A Certificates.
- (c) Upon termination of the Lease Term of a Lease with respect to the Series 2010A Certificates, prior to completion of the acquisition, construction and installation of the applicable Facilities, the amounts, if any, remaining on deposit in the applicable Acquisition Account shall be transferred to the applicable Prepayment Payment Account to be applied to the prepayment of Basic Lease Payments represented by Series 2010A Certificates.
- (d) Net Proceeds realized in the event of damage, destruction or condemnation, as provided in the Series 1991A-1 Lease or the Series 1992A-1 Lease shall be deposited in the Series 1991A-1 Lease Payment Account or the Series 1992A-1 Lease Payment Account, as applicable, to be applied to Basic Lease Payments or the costs of Series 1991A-1 Facilities or the Series 1992A-1 Facilities under the applicable Lease, in accordance with Section 5.4(b) of the Master Lease.
- (e) Net Proceeds realized in the event of damage, destruction or condemnation, as provided in the Series 2001A-1 Lease or the Series 2001B-1 Lease shall either (1) be applied to pay the Costs of other Facilities, in which case such other Facilities shall become subject to the provisions of the applicable Lease or (2) at the direction of the School Board, upon delivery to the Trustee of a Favorable Opinion, such Net Proceeds shall be deposited in the applicable Lease Payment

Account to be credited against Basic Lease Payments next coming due in accordance with Section 3.2(c) of the Master Lease.

Lease Covenants

Under the Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease and the Series 2001B-1 Lease, the School Board was responsible for acquisition, construction and installation of the Series 1991A-1 Facilities, the Series 1992A-1 Facilities, the Series 2001A-1 Facilities and the Series 2001B-1 Facilities pursuant to the specifications of the School Board, including the letting of all contracts for the acquisition, construction and installation of such Facilities. In the Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease and the Series 2001B-1 Lease, the School Board covenants that it will (i) maintain the Series 1991A-1 Facilities, the Series 1992A-1 Facilities, the Series 2001A-1 Facilities and the Series 2001B-1 Facilities at all times during the Lease Term in good repair and condition, (ii) pay applicable taxes, utility charges and other governmental charges, and (iii) provide applicable insurance coverage, including property and liability insurance, all in accordance with the terms and provisions relating to these requirements, contained in the Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease and the Series 2001B-1 Lease, as applicable.

Assignment of Series the Series 1991A-1 Lease, Series 1992A-1 Lease, Series 2001A-1 Lease and Series 2001B-1 Lease to Trustee

Pursuant to the Series 1991A Assignment Agreement, Series 1992A-1 Assignment Agreement, Series 2001A Assignment Agreement, and Series 2001B Assignment Agreement, substantially all right, title and interest of the Corporation in and to the Series 1991A Ground Lease, Series 1992A Ground Lease, Series 2001A-1 Ground Lease, and Series 2001B-1 Ground Lease and in and to the Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease and the Series 2001B-1 Lease, respectively, including the right to receive Basic Lease Payments thereunder, will be irrevocably assigned by the Corporation to the Trustee for the benefit of the Series 2010B Certificate Holders and the holders of any other Certificates, representing an undivided proportionate interest in a portion of the Basic Lease Payments payable under the Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease or the Series 2001B-1 Lease. The School Board has consented to such assignment.

Budget and Appropriation

The cost and expense of the performance by the School Board of its obligations under the Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease and the Series 2001B-1 Lease and under every other Lease and the incurrence of any liabilities of the School Board under the Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease or the Series 2001B-1 and under every other Lease including, without limitation, the payment of all Lease Payments and all other amounts required to be paid by the School Board under all Leases, are subject to and dependent on appropriations being duly made from time to time by the School Board for such purposes. Under no circumstances will the failure of the School Board to appropriate sufficient funds constitute a default or require payment of a penalty, or in any way

limit the right of the School Board to purchase or utilize educational facilities similar in function to those leased under any Lease.

Unless the School Board, at a public meeting held prior to the end of the then current Fiscal Year, gives notice of its intent not to appropriate the funds necessary to make the Lease Payments coming due in the following Fiscal Year under all Leases, the Superintendent will include in the Superintendent's tentative budget proposal the funds necessary to make such Lease Payments, and all Leases will be automatically renewed on June 30 of the current Fiscal Year, for the following Fiscal Year, subject to appropriation being made by the School Board in the final official budget. If no such appropriation is made in the final adopted budget or if no official budget is adopted as of the last day on which a final budget is required to have been adopted under Chapter 1011, Florida Statutes and applicable regulations thereunder, all Leases will terminate as of the date of adoption of the final official budget or the last date on which a final budget is required to have been adopted, whichever is earlier.

If the School Board declares its intent at such public meeting prior to the end of the then current Fiscal Year not to appropriate the funds necessary to make Lease Payments under all Leases, no Leases will be automatically renewed for the following Fiscal Year, but all Leases will terminate on June 30th of the current Fiscal Year. The School Board will, however, provide written notice of any non-appropriation of funds, as described above, to the Trustee and the Insurer within three Business Days after declaring its intent not to appropriate the funds necessary to make payments under all Leases. For a discussion of the effect of termination of the Lease Term of the Leases, see "THE SERIES 1991A-1 LEASE, THE SERIES 1992A-1 LEASE, THE SERIES 2001A-1 LEASE AND THE SERIES 2001B-1 LEASE – Effect of Termination for Non-Appropriation or Default" herein.

RISK FACTORS

Each purchaser of the Series 2010B Certificates is subject to certain risks and each prospective purchaser of the Series 2010B Certificates is encouraged to read this Offering Statement in its entirety. Particular attention should be given to the factors described below which, among others, could affect the market price of the Series 2010B Certificates to an extent that cannot be determined.

Annual Right of the School Board to Terminate the Series 1991A-1 Lease, Series 1992A-1 Lease, Series 2001A-1 Lease and Series 2001B-1 Lease

Although the School Board has determined that the Series 1991A-1 Facilities, the Series 1992A-1 Facilities, the Series 2001A-1 Facilities and the Series 2001B-1 Facilities are necessary to its operations and currently intends to continue the Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease and the Series 2001B-1 Lease in force and effect for the Lease Terms established in the Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease and the Series 2001B-1 Lease, respectively, and has covenanted in the Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease and the Series 2001B-1 Lease that the Superintendent will include a sufficient amount in the tentative budget to enable the School Board to make all Lease Payments due in each Fiscal Year, the School Board is not required to

appropriate funds for such Lease Payments. If for any Fiscal Year the School Board does not approve a final budget which appropriates sufficient funds from legally available revenues in a line item specifically identified for payment of its obligations under the Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease and the Series 2001B-1 Lease or any other Lease, or if no final budget is adopted as of the last day upon which a final budget is required to have been adopted under Chapter 1011, Florida Statutes, the Master Lease shall terminate as of the date of adoption of the final budget, or as of such last day, whichever is earlier, and the School Board will not be obligated to make Lease Payments accruing or arising thereafter.

The likelihood that the Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease or the Series 2001B-1 Lease will be terminated as the result of an event of non-appropriation is dependent upon certain factors that are beyond the control of the Series 2010B Certificate Owners, including the continuing future utility of the Series 1991A-1 Facilities, the Series 1992A-1 Facilities, the Series 2001A-1 Facilities or the Series 2001B-1 Facilities and other Facilities of the School Board and changes in population or demographics within the District.

Limitation Upon Disposition; Ability to Sell or Relet

Following an event of default under the Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease or the Series 2001B-1 Lease, or an event of non-appropriation, the Trustee as assignee of the Corporation may take possession of the Series 1991A-1 Facilities, the Series 1992A-1 Facilities, the Series 2001A-1 Facilities and the Series 2001B-1 Facilities and sell or re-let its interest therein. The Trustee's ability to actually achieve such a disposition of the Series 1991A-1 Facilities, the Series 1992A-1 Facilities, the Series 2001A-1 Facilities and the Series 2001B-1 Facilities is limited by its inability to convey fee simple title to the Series 1991A-1 Facilities, the Series 1992A-1 Facilities, the Series 2001A-1 Facilities and the Series 2001B-1 Facilities and by the governmental nature of the Series 1991A-1 Facilities, the Series 1992A-1 Facilities, the Series 2001A-1 Facilities and the Series 2001B-1 Facilities. Moreover, it is possible that a court of competent jurisdiction could enjoin the sale or re-letting of the Trustee's interest in the Series 1991A-1 Facilities, the Series 1992A-1 Facilities, the Series 2001A-1 Facilities and the Series 2001B-1 Facilities because of the essential governmental nature thereof. There can be no assurance that the remedies available to the Trustee upon any such termination of the Lease Term of all Leases and the disposition of the Series 1991A-1 Facilities, the Series 1992A-1 Facilities, the Series 2001A-1 Facilities and the Series 2001B-1 Facilities will produce sufficient amounts to pay the principal and interest components of the Basic Lease Payments represented by the then Outstanding Series 2010B Certificates.

No Right of Certificate Holders to Direct Remedies

Unless the Insurer is in default of its obligations under the Policy, the Insurer is entitled to control and direct any of the rights or remedies of the Trustee, including the right to direct the Trustee as to whether or not to re-let or sell any Facilities and to declare the Purchase Option Price immediately due and payable. However, the Insurer has no fiduciary responsibility to the Series 2010B Certificate Owners with respect to the direction of such remedies and has no

obligation to preserve the exclusion from gross income for federal income tax purposes of amounts paid to the Series 2010B Certificate Owners by the Insurer and designated as interest.

Tax Treatment

Upon termination of the Series 2010B Leases, there is no assurance that payments made by the Trustee or Insurer, with respect to the Series 2010B-Tax-Exempt Certificates and designated as interest will be excludable from gross income for federal income tax purposes. See “TAX TREATMENT” herein.

Applicability of Securities Laws

After termination of the Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease or the Series 2001B-1 Lease, the transfer of a Series 2010B Certificate may be subject to or conditioned upon compliance with the registration provisions of applicable federal and state securities laws. Accordingly, there is no assurance that liquidity of the Series 2010B Certificates will not be impaired following termination of the Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease or the Series 2001B-1 Lease.

Capital Outlay Millage Revenues

The amount of Capital Outlay Millage Revenues which can be realized by the District derived from the levy of the Local Option Millage Levy can be affected by a variety of factors not within the control of the School Board, including, without limitation, fluctuations in the level of the assessed valuation of property within the District, the amount of general business activity, growth and new construction which occurs within the District and legislative changes. There can, therefore, be no assurances that such revenues will not decrease in the event that such growth and new construction, for whatever reason, decreases or ceases altogether within the County or adverse legislation is adopted by the State of Florida.

The Legislative Office of Economic and Demographic Research of the Florida Legislature projects declines in the assessed value of property subject to taxation by the District in 2010-2011, and possibly in subsequent years. These declines in assessed valuation are likely to have a negative impact on revenues of the District from ad valorem taxes, including Capital Outlay Millage Revenues. However, the District projects that, even with the projected declines in assessed property valuations, it will be able to collect Capital Outlay Millage Revenues sufficient to make the Lease Payments related to all Outstanding Certificates, including the Series 2010B Certificates. See “REVENUE SOURCES OF THE DISTRICT” herein and “APPENDIX A – GENERAL INFORMATION CONCERNING BROWARD COUNTY, FLORIDA”. See also “RECENT GOVERNMENTAL ACTIONS AFFECTING DISTRICT REVENUES – Reduction in Local Option Millage Levy,” and “AD VALOREM TAX PROCEDURES – Constitutional Amendments” herein.

State Revenues

A large portion of the District’s funding is derived from State sources. See “REVENUE SOURCES OF THE DISTRICT – Operating Revenues” and “– Revenues for Capital Projects”

herein. A significantly large percentage of such State revenues is generated from the levy of the State sales tax. The amounts budgeted for distribution from the State to the District are subject to change in the event that projected revenues are not realized. The State is currently experiencing significant shortfalls in sales tax revenues, which has resulted in significant budget cuts, including cuts to funding for the District.

As a result, the State Legislature has reduced funding to the District in 2007, 2008, 2009 and 2010, which has resulted in an aggregate reduction in the District's revenues of approximately \$107.1 million since 2007. It is uncertain whether additional cuts will occur in the future. See "RECENT GOVERNMENTAL ACTIONS AFFECTING DISTRICT REVENUES," and "AD VALOREM TAX PROCEDURES – Constitutional Amendments" herein.

Additional Leases

Pursuant to the Master Lease, the School Board may enter into other Leases in addition to the Prior Leases and the Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease and the Series 2001B-1 Lease. Failure to appropriate funds to make Lease Payments under any Lease will, and an event of default under any Lease may, result in the termination of all Leases, including the Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease and the Series 2001B-1 Lease. Upon any such termination of all Leases, the School Board must surrender certain Facilities, including the Series 1991A-1 Facilities, the Series 1992A-1 Facilities, the Series 2001A-1 Facilities and the Series 2001B-1 Facilities (but excluding any Facilities excluded under the terms of any Lease) to the Trustee for sale or lease. The proceeds of any such disposition of the Facilities will be applied to the payment of the applicable Series of Certificates. In no event will owners of the Series 2010B Certificates have any interest in or right to any proceeds of the disposition of Facilities financed with the proceeds of another Series of Certificates, except as described herein. There can be no assurance that the remedies available to the Trustee upon any such termination of all Leases and the disposition of the Series 1991A-1 Facilities, the Series 1992A-1 Facilities, the Series 2001A-1 Facilities and the Series 2001B-1 Facilities will produce sufficient amounts to pay the Outstanding Series 2010B Certificates. See "THE SERIES 1991A-1 LEASE, SERIES 1992A-1 LEASE, SERIES 2001A-1 LEASE AND THE SERIES 2001B-1 LEASE – Effect of Termination for Non-Appropriation or Default" herein.

Additional Indebtedness

The School Board may issue additional indebtedness, other than in connection with the Master Lease, secured by or payable from available revenues without the consent of the owners of the Series 2010B Certificates. Incurring such additional indebtedness may adversely affect the ability of the School Board to make Lease Payments under the Master Lease.

Legislative Changes

In recent years, legislation has been introduced that has reduced State funding for school districts, required that certain percentages of school district funding be spent on particular

activities and imposed additional funding restrictions and other requirements on school districts. There can be no assurance that similar or additional legislative or other proposals will not be introduced or enacted in the future that would, or might apply to, or have a material adverse effect upon, the District or its finances.

Interest Rate Exchange Agreements

2004D Floating-to-Fixed Swap

In connection with the Certificates of Participation, Series 2004D (the “Series 2004D Certificates”), the School Board entered into an International Swaps and Derivatives Association, Inc. (“ISDA”) Master Agreement dated as of June 24, 2004 (together with all schedules and confirmations thereto, the “2004D Swap Agreement”) with Citibank, N.A. (“Citi”) effective June 30, 2004. In general, the 2004D Swap Agreement provides, subject to the terms and conditions thereof, for payment by the School Board to Citi of a fixed rate of interest of 3.85% and for payment by Citi to the School Board of interest calculated at a variable rate based on 67% of “USD LIBOR - BBA” (as defined in the 1992 ISDA U.S. Municipal Counterparty Definitions) based on an amortizing notional amount of \$113,825,000. The intent of the 2004D Swap Agreement is to effectively change the variable interest rate on the Series 2004D Certificates into a synthetic fixed rate of 3.85% per annum. The School Board has an option to terminate the 2004D Swap Agreement in whole or in part on any Business Day upon 30 days’ notice to Citi. As of the date hereof, the School Board has no intent to terminate the 2004D Swap Agreement. The scheduled termination date of the 2004D Swap Agreement is July 1, 2029. The scheduled payments of the School Board when due pursuant to the 2004D Swap Agreement are guaranteed by a financial guaranty insurance policy (the “2004D Swap Policy”) issued by Financial Security Assurance Inc. (“Financial Security”). The 2004D Swap Policy does not guarantee termination payments under the 2004D Swap Agreement unless the termination is at the direction of Financial Security. For additional information on the 2004D Swap Agreement, see note 13 to “APPENDIX B – Basic Financial Statements of The School Board of Broward County, Florida for the Fiscal Year Ended June 30, 2009.”

2006B Floating-to-Fixed Swap

In connection with the Certificates of Participation, Series 2006B (the “Series 2006B Certificates”), the School Board entered into an ISDA Master Agreement dated as of May 16, 2006 (together with all schedules and confirmations thereto, the “2006B Swap Agreement”) with JPMorgan Chase Bank, N.A. (“JPMorgan”), an affiliate of J.P. Morgan, one of the underwriters of the Series 2010B Certificates, effective June 6, 2006. In general, the 2006B Swap Agreement provides, subject to the terms and conditions thereof, for payment by the School Board to JPMorgan of a fixed rate of interest of 4.131% and for payment by JPMorgan to the School Board of interest calculated at a variable rate based on (a) from the Effective Date to but excluding July 1, 2009, “USD-SIFMA Municipal Swap Index” (as defined in the 2000 ISDA U.S. Municipal Counterparty Definitions) and (b) from July 1, 2009 to but excluding the termination date, 70% of “USD-LIBOR-BBA” (as defined in the 2000 ISDA U.S. Municipal Counterparty Definitions provided that the clause “the day that is two London Banking Days preceding that Reset Date” is deleted and replaced with “the day that is one London Banking

Day preceding that Reset Date”), based on an amortizing notional amount of \$65,000,000. The intent of the 2006B Swap Agreement is to effectively change the variable interest rate on the Series 2006B Certificates into a synthetic fixed rate of 4.131% per annum. The School Board has an option to terminate the 2006B Swap Agreement in whole or in part on any Business Day upon 10 Business Days’ notice to JPMorgan. As of the date hereof, the School Board has no intent to terminate the 2006B Swap Agreement. The scheduled termination date of the 2006B Swap Agreement is June 30, 2031. The scheduled payments of the School Board when due pursuant to the 2006B Swap Agreement are guaranteed by a financial guaranty insurance policy (the “2006B Swap Policy”) issued by Financial Security. The 2006B Swap Policy does not guarantee termination payments under the 2006B Swap Agreement unless the termination is at the direction of Financial Security. For additional information on the 2006B Swap Agreement, see note 13 to “APPENDIX B – Basic Financial Statements of The School Board of Broward County, Florida for the Fiscal Year Ended June 30, 2009.”

Payments made by the School Board under the above described agreements constitute Additional Lease Payments under the Master Lease and are secured by the Leases to which the respective interest rate exchange agreement relates. Each agreement described above is subject to termination prior to the scheduled termination date thereof under certain circumstances. If a termination event were to occur under one or more of such agreements, the School Board may be confronted with the need to appropriate a significant termination payment or payments within a single Fiscal Year. Such an obligation could have a material adverse effect on the School Board’s ability to make Lease Payments, including payments required under Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease and the Series 2001B-1 Lease.

Creditworthiness of the Insurer

As further described under the heading “RATINGS”, the insured ratings of the Series 2010B Certificates are based on the issuance of the Policy concurrently with the issuance of the Series 2010B Certificates. Such insured ratings are based solely on the general credit of the Insurer. Any downgrade in the rating of the Insurer may have a negative impact on the market price of the Series 2010B Certificates.

The Policy insures the scheduled payment of the principal and interest components of Basic Lease Payments represented by the Series 2010B Certificates when due. The ability of the Insurer to make payment of such defaulted principal or interest under the Policy may be adversely affected by the financial condition of the Insurer at such time. No assurance is given as to the current or future financial condition of the Insurer or the financial condition of any entity with which the Insurer may merge or by which it may be acquired.

If the Insurer becomes insolvent or otherwise becomes subject to receivership or similar proceedings under state insurance law, owners of the Series 2010B Certificates may become general unsecured creditors of the Insurer and, under such circumstances, timely payment of the principal and interest components of Basic Lease Payments represented by the Series 2010B Certificates might depend entirely on the ability of the School Board to make Basic Lease Payments pursuant to the Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease and the Series 2001B-1 Lease (or, in the event of a termination of such Leases, on the

sufficiency of the proceeds of the Trustee's sale or re-letting of the Facilities to pay such amounts).

LITIGATION

There is no litigation now pending or threatened (i) to restrain or enjoin the issuance or sale of the Series 2010B Certificates; (ii) questioning or affecting the validity of Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease or the Series 2001B-1 Lease or the obligation of the School Board to make Lease Payments; or (iii) questioning or affecting the validity of any of the proceedings for the authorization, sale, execution or delivery of the Series 2010B Certificates.

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

RATINGS

Moody's Investors Service, Inc. ("Moody's"), Standard & Poor's Ratings Services ("S&P") and Fitch Ratings ("Fitch") have assigned ratings of _____, ___ and _____, respectively, to the Series 2010B Certificates, with the understanding that upon delivery of the Series 2010B Certificates the Policy insuring the payments when due of the Basic Lease Payments represented by the Series 2010B Certificates will be issued by the Insurer. Moody's, S&P and Fitch have also assigned underlying ratings of "___," "____" and "____," respectively, to the Series 2010B Certificates without regard to the Policy.. An explanation of the ratings given by Moody's may be obtained from Moody's at 7 World Trade Center, 250 Greenwich Street, 23rd Floor, New York, New York 10007, (212) 553-0300. An explanation of the ratings given by S&P may be obtained from S&P at 55 Water Street, New York, New York 10041, (212) 438-2124. An explanation of the ratings given by Fitch may be obtained from Fitch at One State Street Plaza, New York, New York 10004, (212) 908-0500. There is no assurance that such ratings will continue for any given period of time, or that they will not be revised downward or withdrawn entirely by such rating agencies, if in their judgment circumstances so warrant. Any downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2010B Certificates.

The above ratings are not recommendations to buy, sell or hold the Series 2010B Certificates, and such ratings may be subject to revision or withdrawal at any time by the Rating Agencies.

TAX TREATMENT

Circular 230 Disclosure. The discussion below relating to the Series 2010B Certificates was written to support the promotion and marketing of the Series 2010B

Certificates and was not intended or written to be used, and cannot be used, by a taxpayer for purposes of avoiding United States federal income tax penalties that may be imposed. Each taxpayer should seek advice based on the taxpayer’s particular circumstances from an independent tax advisor.

Opinion -- Tax Treatment of Interest Portion of Basic Lease Payments

[In the opinion of Greenberg Traurig P.A., and KnoxSeaton, Co-Special Tax Counsel to the School Board, under existing statutes, regulations, rulings and court decisions, the portion of the Basic Lease Payments designated and paid as interest to the Series 2010B Certificate holders is []

Co-Special Tax Counsels’ engagement with respect to the Series 2010B Certificates ends with the issuance of the Series 2010B Certificates and, unless separately engaged, Co-Special Tax Counsel is not obligated to defend the School Board or the Owners regarding the tax status of the Series 2010B Certificates in the event of an audit examination by the IRS. Under current procedures, parties other than the School Board and their appointed counsel, including the Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination is difficult, obtaining an independent review of IRS positions with which the School Board legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Series 2010B Certificates for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Series 2010B Certificates, and may cause the School Board to incur significant expense.

Co-Special Tax Counsel will express no other opinion as to any other federal tax consequences regarding the Series 2010B Certificates. Reference is made to the proposed form of the opinion of Co-Special Tax Counsel attached hereto as “APPENDIX D– Proposed Form of Opinion of Co-Special Tax Counsel” for the complete text thereof. See also “LEGAL MATTERS” herein.

General Tax Information for the Series 2010B Bonds

The following is a summary of certain anticipated federal income tax consequences of the purchase, ownership and disposition of the Series 2010B Certificates. The summary is based upon provisions of the Code, the regulations promulgated thereunder and rulings and court decisions now in effect, all of which are subject to change. This summary is intended as a general explanatory discussion of the consequences of holding the Series 2010B Certificates. This summary generally addresses Series 2010B Certificates held as capital assets and does not purport to address all aspects of federal income taxation that may affect particular investors in light of their individual circumstances or certain types of investors subject to special treatment under the federal income tax laws, including but not limited to financial institutions, insurance companies, dealers in securities or currencies, persons holding such Series 2010B Certificates as a hedge against currency risks or as a position in a straddle for tax purposes, foreign investors or persons whose functional currency is not the U.S. dollar. Potential purchasers of the Series 2010B Certificates should consult their own tax advisors in determining the federal, state or local

tax consequences to them of the purchase, holding and disposition of the Series 2010B Certificates.

The portion of the Basic Lease Payments designated and paid as interest to the Series 2010B Certificate holders is []

Original Issue Discount

The following summary is a general discussion of certain federal income tax consequences of the purchase, ownership and disposition of Series 2010B Certificates issued with original issue discount (“Discount Series 2010B Certificates”). A Series 2010B Certificate will be treated as having been issued at an original issue discount if the excess of its “stated redemption price at maturity” (defined below) over its issue price (defined as the initial offering price to the public at which a substantial amount of the Series 2010B Certificates of the same maturity and series have first been sold to the public, excluding bond houses and brokers) equals or exceeds one quarter of one percent of such Series 2010B Certificate’s stated redemption price at maturity multiplied by the number of complete years to its maturity.

Generally, a Discount Series 2010B Certificate’s “stated redemption price at maturity” is the total of all payments provided by the Discount Series 2010B Certificate that are not payments of “qualified stated interest”. Generally, “qualified stated interest” includes stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually at a single fixed rate.

In general, the amount of original issue discount includible in income by the initial holder of a Discount Series 2010B Certificate is the sum of the “daily portions” of original issue discount with respect to such Discount Series 2010B Certificate for each day during the taxable year in which such holder held such Discount Series 2010B Certificate. The daily portion of original issue discount is determined by allocating to each day in any accrual period a ratable portion of the original issue discount allocable to that accrual period.

An accrual period may be of any length, and may vary in length over the term of a Discount Series 2010B Certificate, provided that each accrual period is not longer than one year and each scheduled payment of principal or interest occurs at the end of an accrual period. The amount of original issue discount allocable to each accrual period is equal to the difference between (i) the product of the Discount Series 2010B Certificate’s adjusted issue price at the beginning of such accrual period and its yield to maturity (determined on the basis of compounding at the close of each accrual period and appropriately adjusted to take into account the length of the particular accrual period) and (ii) the amount of any qualified stated interest payments allocable to such accrual period. The “adjusted issue price” of a Discount Series 2010B Certificate at the beginning of any accrual period is the sum of the issue price of the Discount Series 2010B Certificate plus the amount of original issue discount allocable to all prior accrual periods minus the amount of any prior payments on the Discount Series 2010B Certificate that were not qualified stated interest payments. Under these rules, holders will have to include in income increasingly greater amounts of original issue discount in successive accrual periods.

Certain holders may elect to include all interest (including stated interest, acquisition discount, original issue discount, de minimis original issue discount, market discount, de minimis market discount, and unstated interest, as adjusted by any amortizable bond premium or acquisition premium) on the Discount Series 2010B Certificate by using the constant yield method applicable to original issue discount, subject to certain limitations and exceptions. Such holders should consult their own tax advisors with respect to whether or not they should so elect.

Holders of Discount Series 2010B Certificates should consult their own tax advisors as to the determination for federal income tax purposes of the amount of original issue discount properly accruable in any period and as to other federal tax consequences and the treatment of original issue discount for purposes of state and local taxes on, or based on, income.

Market Discount. If a Certificateholder purchases a Series 2010B Certificate for an amount that is less than the adjusted issue price of the Series 2010B Certificate, and such difference is not considered to be de minimis, then such discount will represent market discount. Absent an election to accrue market discount currently, upon a sale, exchange or other disposition of a Series 2010B Certificate, a portion of any gain will be ordinary income to the extent it represents the amount of any such market discount that was accrued through the date of sale. In addition, absent an election to accrue market discount currently, the portion of any interest expense incurred to carry a market discount bond is limited. Such Certificateholders should consult their own tax advisors with respect to whether or not they should elect to accrue market discount currently, the determination and treatment of market discount for federal income tax purposes and the state and local tax consequences of owning such Series 2010B Certificate.

Bond Premium. If a Certificateholder purchases a Series 2010B Certificate at a cost greater than its then principal amount, generally the excess is amortizable bond premium. The tax accounting treatment of bond premium is complex. Such Certificateholders should consult their own tax advisors with respect to whether or not they should elect to amortize such premium under Section 171 of the Code, the determination and treatment of such premium for federal income tax purposes and the state and local tax consequences of owning such Series 2010B Certificates.

Sale or Redemption of Series 2010B Certificates. A Certificateholder's tax basis for a Series 2010B Certificate is the price such owner pays for the Series 2010B Certificate plus the amount of any original issue discount and market discount previously included in income, reduced on account of any payments received (other than "qualified periodic interest" payments) and any amortized bond premium. Gain or loss recognized on a sale, exchange or redemption of a Series 2010B Certificate, measured by the difference between the amount realized and the Series 2010B Certificate basis as so adjusted, will generally give rise to capital gain or loss if the Series 2010B Certificate is held as a capital asset (except as discussed above under "Market Discount"). The legal defeasance of Series 2010B Certificates may result in a deemed sale or exchange of such Series 2010B Certificates under certain circumstances; owners of such Series 2010B Certificates should consult their tax advisors as to the federal income tax consequences of such an event.

Information Reporting and Backup Withholding. Interest paid on bonds such as the Series 2010B Certificates is subject to information reporting to the IRS. In conjunction with the information reporting requirement, the Code subjects certain non-corporate owners of Series 2010B Certificates, under certain circumstances, to “backup withholding” at (i) the fourth lowest rate of tax applicable under Section 1(c) of the Code (i.e., a rate applicable to unmarried individuals) for taxable years beginning on or before December 31, 2010; and (ii) the rate of 31% for taxable years beginning after December 31, 2010, with respect to payments on the Series 2010B Certificates and proceeds from the sale of Series 2010B Certificates. This withholding generally applies if the owner of Series 2010B Certificates (i) fails to furnish the payor such owner’s social security number or other taxpayer identification number (“TIN”), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other “reportable payments” as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner’s securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Backup withholding will not apply, however, with respect to certain payments made to Certificateholders, including payments to certain exempt recipients and to certain Nonresidents (defined below). Prospective purchasers of the Series 2010B Certificates may also wish to consult with their tax advisors as to their qualification for an exemption from backup withholding and the procedure for obtaining the exemption.

Nonresidents. Under the Code, interest and original issue discount income with respect to Series 2010B Certificates held by nonresident alien individuals, foreign corporations and other non-United States persons (“Nonresidents”) may not be subject to withholding. Generally, payments on the Series 2010B Certificates to a Nonresident that has no connection with the United States other than holding the Series 2010B Certificate will be made free of withholding tax, as long as such holder has complied with certain tax identification and certification requirements. Nonresidents should consult their own tax advisors in determining the federal, state or local tax consequences to them of the purchase, holding and disposition of the Series 2010B Certificates.

CERTAIN LEGAL MATTERS

Legal matters incident to the authorization, execution, delivery and sale of the Series 2010B Certificates are subject to the approving legal opinions of Co-Special Tax Counsel, Greenberg Traurig, P.A., Miami, Florida, and KnoxSeaton, Miami, Florida. The proposed forms of such opinions are included herein as Appendix D. Certain legal matters will be passed upon for the School Board and the Corporation by Edward J. Marko, Esquire, School Board Attorney, and for the Underwriters by their Co-Counsel, Shutts & Bowen LLP, Fort Lauderdale, Florida, and the Law Offices of Steve E. Bullock, P.A., Miramar, Florida. Co-Special Tax Counsel and Co-Counsel to the Underwriters will receive fees for services provided in connection with the issuance of the Series 2010B Certificates, which fees are contingent upon the issuance of the Series 2010B Certificates.

Co-Special Tax Counsel’s opinions are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Co-Special Tax Counsel as of the date thereof. Co-Special Tax Counsel assumes no duty to update or supplement its opinions

to reflect any facts or circumstances that may thereafter come to Co-Special Tax Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Co-Special Tax Counsel's opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service or the courts; rather, such opinions represent Co-Special Tax Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

UNDERWRITING

The Underwriters have agreed to purchase the Series 2010B Certificates at a price of \$_____ (which represents the \$_____ principal amount of the Series 2010B Certificates, [less an original issue discount of \$_____] [plus a premium of \$_____] and minus an Underwriters' discount of \$_____).

The Underwriters will purchase all of the Series 2010B Certificates if any are purchased. The obligation to make such purchase is subject to certain terms and conditions contained in a Certificate Purchase Agreement and to the approval of certain legal matters by counsel.

Citigroup Inc. and Morgan Stanley, the respective parent companies of Citigroup Global Markets Inc. and Morgan Stanley & Co. Incorporated, each an underwriter of the Series 2010B Certificates, have entered into a retail brokerage joint venture. As part of the joint venture each of Citigroup Global Markets Inc. and Morgan Stanley & Co. Incorporated will distribute municipal securities to retail investors through the financial advisor network of a new broker-dealer, Morgan Stanley Smith Barney LLC. This distribution arrangement became effective on June 1, 2009. As part of this arrangement, each of Citigroup Global Markets Inc. and Morgan Stanley & Co. Incorporated will compensate Morgan Stanley Smith Barney LLC. for its selling efforts in connection with their respective allocations of Series 2010B Certificates.

J.P. Morgan Securities Inc., one of the underwriters of the Series 2010B Certificates, has entered into negotiated dealer agreements (each a "Dealer Agreement" with each of UBS Financial Services Inc. ("UBSFS") and Charles Schwab & Co., Inc. ("CS&Co.") for the retail distribution of certain securities offerings, including the Series 2010B Certificates, at the original issue prices. Pursuant to each Dealer Agreement, each of UBSFS and CS&Co. will purchase Series 2010B Certificates from J.P. Morgan Securities Inc. at the original issue prices less a negotiated portion of the selling concession applicable to any Series 2010B Certificates that such firm sells.

The Underwriters may offer and sell the Series 2010B Certificates to certain dealers and others at prices lower than the public offering prices. After the initial public offering, the respective offering prices may be changed from time to time by the Underwriters.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

The mathematical accuracy of the computations of the adequacy of escrowed moneys to be held by the Escrow Agent to provide for the payment of the Refunded Certificates on _____ will be verified by _____, certified public accountants.

CO-FINANCIAL ADVISORS

The School Board has retained Public Financial Management, Inc., Orlando, Florida, and Fidelity Financial Services, L.C., Hollywood, Florida, as co-financial advisors with respect to the planning, structuring, execution and issuance of the Series 2010B Certificates (the "Co-Financial Advisors"). The Co-Financial Advisors will receive fees for services provided in connection with the issuance of the Series 2010B Certificates, which fees are contingent upon the issuance of the Series 2010B Certificates. The Co-Financial Advisors are not obligated to undertake and have not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Offering Statement.

Public Financial Management, Inc. is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

Fidelity Financial Services, L.C. is a financial advisory and consulting firm and is not engaged in the business of underwriting, marketing or trading of municipal securities or other negotiable instruments.

BASIC FINANCIAL STATEMENTS

The Basic Financial Statements of The School Board of Broward County, Florida for the Fiscal Year ended June 30, 2009 and the report thereon of Moore Stephens Lovelace, P.A. independent certified public accountants, dated December 10, 2009, are included in Appendix B of this Offering Statement as part of the public records of the School Board. Moore Stephens Lovelace, P.A. has not participated in the preparation of this Offering Statement.

CONTINUING DISCLOSURE

The School Board has covenanted for the benefit of Series 2010B Certificate holders to provide certain financial information and operating data relating to the School Board in each year (the "Annual Report"), to provide notices of the occurrence of certain enumerated events, if deemed by the School Board to be material, and to comply with and carry out all of the provisions of the Series 2010B Continuing Disclosure Certificate to be executed by the School Board as of the date of issuance of the Series 2010B Certificates, as such Continuing Disclosure Certificate may be amended from time to time in accordance with the terms thereof (the "Continuing Disclosure Certificate"). Such covenant shall only apply so long as the Series 2010B Certificates are outstanding, and shall also cease upon the termination of the continuing disclosure requirements of Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the "Rule") by legislative, judicial or administration action. The Annual Report will be filed by the School or its Dissemination Agent with the Municipal Securities Rulemaking Board (the "MSRB") via its Electronic Municipal Market Access system described in the Continuing Disclosure Certificate attached hereto as Appendix E. The notices of material events will be filed by the School Board, or its dissemination agent, if any, with the MSRB. The specific nature of the information to be contained in the Annual Report and the notices of material events are described in "APPENDIX E - FORM OF CONTINUING DISCLOSURE CERTIFICATE."

These undertakings have been made in order to assist the Underwriter in complying with the Rule. Failure of the School Board to comply with the Continuing Disclosure Certificate is not considered an event of default under the Series 1991A-1 Lease, the Series 1992A-1 Lease, the Series 2001A-1 Lease or the Series 2001B-1 Lease, the Trust Agreement or the Continuing Disclosure Certificate; however, any Series 2010B Certificate holder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the School Board to comply with its obligations under the Continuing Disclosure Certificate.

The covenants of the School Board in the Continuing Disclosure Certificate have been made in order to assist the Underwriters in complying with the Rule. No party other than the School Board is obligated to provide, nor is expected to provide, any continuing disclosure information in connection with the issuance of the Series 2010B Certificates in order to comply with the Rule. To date, the School Board has not failed to comply with any prior continuing disclosure undertakings with respect to the Rule.

BLUE SKY DISCLOSURE

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

MISCELLANEOUS

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

This Offering Statement is submitted in connection with the sale of the securities referred to herein and may not be reproduced or used, as a whole or in part, for any other purpose. Any statements in this Offering Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Offering Statement is not to be construed as a contract or agreement between the District, the School Board or the Corporation and the purchasers or the holders of any of the Series 2010B Certificates.

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This Offering Statement has been duly executed and delivered by the authority of the School Board.

THE SCHOOL BOARD OF BROWARD
COUNTY, FLORIDA

By: _____
JENNIFER LEONARD GOTTLIEB, Chair

By: _____
JAMES F. NOTTER, Superintendent of
Schools and Secretary to the School Board

APPENDIX A

GENERAL INFORMATION REGARDING BROWARD COUNTY, FLORIDA

APPENDIX B

**BASIC FINANCIAL STATEMENTS OF
THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

APPENDIX C

FORMS OF CERTAIN LEGAL DOCUMENTS

Form of Master Trust Agreement

Form of Series 2010B Supplemental Trust Agreement

Form of Master Lease Purchase Agreement

Form of Amended and Restated Schedule 1991A-1

Form of Amended and Restated Schedule 1992A-1

Form of Amended and Restated Schedule 2001A-1

Form of Amended and Restated Schedule 2001B-1

Form of Series 1991A Ground Lease

Form of Series 1992A Ground Lease,

Form of Series 2001A-1 Ground Lease

Form of Series 2001B-1 Ground Lease

Form of Series 1991A Assignment Agreement

Form of Series 1992A Assignment Agreement

Form of Series 2001A Assignment Agreement

Form of Series 2001B Assignment Agreement

APPENDIX D

PROPOSED FORM OF OPINION OF CO-SPECIAL TAX COUNSEL

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

APPENDIX F

SPECIMEN FINANCIAL GUARANTY INSURANCE POLICY

