

1 RESOLUTION NO. 2008- 1027

2 A RESOLUTION OF THE GOVERNING BOARD OF THE SOUTH  
3 FLORIDA WATER MANAGEMENT DISTRICT AUTHORIZING  
4 THE LEASE-PURCHASE FINANCING AND REFINANCING OF  
5 THE COSTS OF THE ACQUISITION, CONSTRUCTION AND  
6 EQUIPPING OF THE DISTRICT'S CAPITAL PROJECTS,  
7 PROGRAMS AND WORKS, INCLUDING THE ACQUISITION  
8 OF THE ASSETS OF UNITED STATES SUGAR CORPORATION,  
9 IN THE MANNER DESCRIBED HEREIN; APPROVING THE  
10 FORMS OF A MASTER LEASE PURCHASE AGREEMENT,  
11 MASTER TRUST AGREEMENT, ASSIGNMENT AGREEMENT  
12 AND GROUND LEASE AGREEMENT IN SUBSTANTIALLY THE  
13 FORMS ATTACHED HERETO; AUTHORIZING THE  
14 COMMENCEMENT OF JUDICIAL VALIDATION  
15 PROCEEDINGS WITH RESPECT TO THE MASTER LEASE PURCHASE  
16 PROGRAM AND THE ISSUANCE OF CERTIFICATES OF  
17 PARTICIPATION RELATED THERETO; AND PROVIDING  
18 FOR AN EFFECTIVE DATE.

19 **WHEREAS**, pursuant to Section 373.0831, Florida Statutes the Florida Legislature  
20 found that the proper role of water management districts in water supply is primarily  
21 planning and water resource development; and

22 **WHEREAS**, pursuant to Section 373.0831 (2) Florida Statutes, it was the intent of the  
23 Florida Legislature that water management districts, which includes the South Florida Water  
24 Management District (the "District"), take the lead in identifying and implementing water  
25 resource development projects and be responsible for securing funding for regionally  
26 significant water resource development projects as such term is defined in Section 373.019,  
27 Florida Statutes; and

28 **WHEREAS**, the District contemplates establishing a master lease purchase program  
29 (the "Lease Purchase Program") in order to finance and refinance certain capital projects,  
30 programs and works through the issuance of both fixed rate and variable rate certificates of  
31 participation ("Certificates") evidencing undivided proportionate interests in basic lease  
32 payments, which the South Florida Water Management District, as Lessee, will make pursuant  
33 to the Master Lease Purchase Agreement, to be issued in one or more series pursuant to Section  
34 373.584, Florida Statutes, and all other applicable provisions of law, including, particularly, all  
35 powers and authority of municipalities to issue bonds under state law (collectively, the "Act");  
36 and

37 **WHEREAS**, Section 373.093, Florida Statutes, empowers the Governing Board of the  
38 District to lease any lands or interest in land, including but not limited to oil and mineral  
39 rights, to which the District has acquired title, or to which it may acquire title, as long as the

40 lease is consistent with the purposes for which the lands or any interest in land was acquired;  
41 and

42 **WHEREAS**, the Governing Board is or shall be the owner of certain real property  
43 located within and outside its boundaries upon which the capital projects, programs or works  
44 may be located (which, together with all structures and improvements now or hereafter  
45 erected or situated thereon, and all fixtures, additions, extensions, alterations or replacements  
46 thereto, now or hereafter located in, or used in connection with or attached or made to such  
47 land, to the extent title thereto may vest in the Governing Board, is hereinafter referred to as a  
48 "Facility Sites"); and

49 **WHEREAS**, it is in the best interest of the District for the Governing Board to authorize  
50 a Master Lease Purchase Agreement and certain documents related thereto to lease purchase  
51 Facility Sites and certain improvements, and the equipment, fixtures and structures on the  
52 Facility Sites related to the District's capital projects, programs or works (the "Facilities") and to  
53 lease back the improved Facility Sites; and

54 **WHEREAS**, in connection with an earlier lease purchasing program of the District, the  
55 District authorized the formation of a not-for-profit corporation known as the "South Florida  
56 Water Management Leasing Corp." (the "Corporation"); and

57 **WHEREAS**, Facilities may be lease-purchased from time to time pursuant to schedules  
58 attached to the Master Lease Purchase Agreement (individually, "Schedule") pursuant to the  
59 Act; and

60 **WHEREAS**, each such Schedule upon execution and delivery by the Governing Board  
61 and the Corporation, together with the provisions of the Master Lease Purchase Agreement,  
62 shall constitute a separate lease agreement (a "Lease"); and

63 **WHEREAS**, the Governing Board, as lessor, and the Corporation, as lessee, may enter  
64 into one or more ground leases with respect to Facility Sites (the "Ground Lease") in connection  
65 with the lease-purchase financing or refinancing of the Facility Sites and Facilities as set forth  
66 on a particular Lease; each Facility Site and Facilities will be subleased back to the Governing  
67 Board under the Master Lease Purchase Agreement; and

68 **WHEREAS**, pursuant to one of more assignment agreements, the Corporation shall  
69 assign to the Trustee (referenced below) for the benefit of the holders of Certificates all of the  
70 Corporation's right, title and interest in and to a Ground Lease and the Lease or Leases created  
71 by one or more particular Schedules, including its right to receive basic lease payments under  
72 such Lease or Leases;

73 **WHEREAS**, at the direction of the Governing Board, the Corporation shall provide for  
74 the payment of the cost of acquiring Facility Sites and acquiring, constructing and installing  
75 Facilities from time to time by entering into a Master Trust Agreement with a trustee (the  
76 "Trustee"), pursuant to which the Corporation shall (a) establish a trust and assign to the

77 Trustee all of said Corporation's right, title and interest in and to the Master Lease Purchase  
78 Agreement and all schedules thereto, direct the Trustee to execute and deliver to the  
79 purchasers from time to time, series of Certificates, representing undivided proportionate  
80 interests in the right to receive the basic lease payments to be made by the Governing Board  
81 pursuant to each Lease relating thereto and deposit the proceeds of each series of Certificates  
82 with the Trustee and direct the Trustee to hold the proceeds of the sale of such Certificates in  
83 trust to pay the costs of acquiring, constructing and installing the Facilities; and

84 **WHEREAS**, the District has previously identified the restoration, protection and  
85 preserving the Everglades ecosystem as a priority water resource development program which  
86 includes the implementation of comprehensive management solutions for addressing issues of  
87 water quality, water quantity, hydro period and maintaining flood protection; and

88 **WHEREAS**, as part of its water resource development program related to the  
89 Everglades ecosystem which is known as the "River of Grass Acquisition Project," the  
90 Governing Board contemplates entering into a Purchase and Sale Agreement related to the  
91 purchase of all of the assets of United States Sugar Corporation and certain related entities  
92 (collectively, "US Sugar") in order to acquire certain lands that will substantially alter the  
93 manner and approach to restoring, protecting and preserving the Everglades ecosystem; and

94 **WHEREAS**, undertaking the acquisition of the assets in US Sugar as part of the River of  
95 Grass Acquisition Project, which will constitute Facility Sites and/or Facilities, will serve a  
96 public purpose by increasing the water storage capability of the District to reduce harmful  
97 freshwater discharges from Lake Okeechobee to Florida's coastal rivers and estuaries;  
98 improving the timing and quality of delivery of cleaner water to the Everglades ecosystem;  
99 preventing phosphorus from entering the Everglades ecosystem; eliminating the need for "back-  
100 pumping" water into Lake Okeechobee and improving the sustainability of agriculture and  
101 green energy production all as more particularly described in staff report entitled Summary of  
102 Benefits of the USSC Land Acquisition attached hereto as Exhibit A (the "Report"); and

103 **WHEREAS**, the purchase of the assets of US Sugar may include the purchase of the fee  
104 simple interest in the land and improvements or the acquisition of a future interest in the land  
105 and improvements, some of which may lie outside the jurisdictional boundaries of the District,  
106 and include the authority to lease or lease back a portion to the assets acquired from US Sugar  
107 to unrelated third parties which may include US Sugar; and

108 **WHEREAS**, US Sugar is unwilling to sell any assets without the District purchasing  
109 substantially all of the assets of U.S. Sugar; and

110 **WHEREAS**, the purchase of the assets of US Sugar will include certain land and  
111 improvements that are not needed for the public purpose of restoring, protecting and  
112 preserving the Everglades ecosystem as part of the River of Grass Acquisition Project and the  
113 District will diligently pursue the sale of all assets and land not otherwise needed for such  
114 public purpose; and

115           **WHEREAS**, the Governing Board desires to finance the purchase price due pursuant to  
116 Purchase and Sale Agreement with US Sugar and the future construction, installation and  
117 acquisition of Facilities to be located on the lands currently owned by the District and hereafter  
118 acquired by the District, including a portion of the lands to be acquired from US Sugar,  
119 through the issuance of one or more Series of Certificate of Participation under its Lease  
120 Purchase Program; and

121           **WHEREAS**, the Governing Board desires to authorize the judicial validation of the  
122 certificates of participation financing pursuant to Sections 75.01 and 373.583, Florida Statutes.

123           **NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD OF THE**  
124 **SOUTH FLORIDA WATER MANAGEMENT DISTRICT, FLORIDA**, as follows:

125           **SECTION 1. Recitals.** The recitals set forth above are adopted by the Governing  
126 Board as the findings of the District and are incorporated herein.

127           **SECTION 2. Authority for this Resolution.** This Resolution is adopted pursuant to  
128 the provisions of the Act.

129           **SECTION 3. Authorization of Certificates of Participation Lease-Purchase Financing.**  
130 Subject and pursuant to the provisions of the Act, the Governing Board hereby authorizes  
131 certificates of participation lease-purchase financing (the "Lease Purchase Program") to provide funding  
132 for its capital projects, programs and works as identified from time to time by the Governing Board.  
133 The aggregate principal amount of Certificates authorized hereunder pursuant to the Lease  
134 Purchase Program shall not be limited; provided, however the District initially authorizes the  
135 issuance of not to exceed \$2,200,000,000 aggregate principal amount of Certificates pursuant to its  
136 Lease Purchase Program. The Certificates shall be issued from time to time in one or more  
137 series, each series in an aggregate principal amount to be determined by subsequent resolution  
138 or resolutions of the District and to be designated "Certificates of Participation, Series \_\_\_\_  
139 Evidencing an Undivided Proportionate Interest of the Registered Owners thereof in Basic  
140 Lease Payments to be Made by the Governing Board of the South Florida Water Management  
141 District, as Lessee, Pursuant to a Master Lease Purchase Agreement with South Florida Water  
142 Management Leasing Corp., as Lessor." The Certificates may be issued as either fixed rate or variable  
143 rate Certificates as determined by subsequent resolution. The District may enter into interest rate  
144 hedging agreements to provide, among other things, a hedge related to the Certificates issued with a  
145 variable rate of interest as determined by subsequent resolution. Each series of Certificates shall be  
146 authorized by the Corporation, at the request of the Governing Board, and executed and delivered by  
147 a Trustee for such purposes which include, but are not limited to: (a) financing or refinancing the cost  
148 of construction and equipping of any Facilities, including the acquisition of Facility Sites, (b) financing  
149 or refinancing the cost of completing the construction, installation and equipping of any Facilities, (c)  
150 financing or refinancing the cost of increasing, improving, modifying, expanding or replacing any  
151 Facilities, (d) paying or providing for the payment of the principal portion and interest portion of  
152 the basic lease payments with respect to, all or a portion of the Facilities financed from the  
153 proceeds of any series of Certificates theretofore executed and delivered, (e) funding any necessary

154 reserve account, (f) capitalizing the interest portion of basic lease payments during construction, (g)  
155 paying the costs of issuance applicable thereto and (h) paying sums due under any interest rate  
156 hedging agreements.

157         **SECTION 4. Authorization of Execution and Delivery of Master Lease Purchase**  
158 **Agreement.** The District does hereby authorize the Chair or Vice-Chair to execute and deliver a  
159 Master Lease Purchase Agreement (the "Master Lease") in connection with the Lease Purchase  
160 Program, between the District and the Corporation for the purpose of, pursuant to separate and  
161 distinct schedules, the form of which is attached to the Master Lease, lease purchasing certain  
162 improvements, equipment, fixtures and structures from time to time related to the District's capital  
163 projects, programs and works and subleasing back the Facility Sites. The Master Lease, in  
164 substantially the form thereof attached hereto and marked **Exhibit "B"** is hereby approved, with  
165 such changes as the Chair or Vice-Chair deems necessary and approves when executing the same,  
166 with such execution to constitute conclusive evidence of such officer's approval and the District's  
167 approval of any changes therein from the form of Master Lease attached hereto.

168         **SECTION 5. Approval of a Master Trust Agreement.** The District does hereby  
169 approve the form of a Master Trust Agreement (the "Master Trust Agreement") for the Lease  
170 Purchase Program, between the Corporation and the Trustee. The Master Trust Agreement  
171 shall provide for the security of the Certificates and express the contract, from time to time  
172 pursuant to a supplemental trust agreement, between the Corporation and the owners of such  
173 Certificates. The Master Trust Agreement, in substantially the form thereof attached hereto and  
174 marked **Exhibit "C"**, with such changes therein as are necessary or desirable to reflect the terms  
175 of the sale of the Certificates. The execution and delivery of the Master Trust Agreement by the  
176 Corporation and the Trustee shall constitute conclusive evidence of the approval thereof.

177         **SECTION 6. Authorization of the Form of Ground Lease Agreement.** The District  
178 does hereby approve the form of a Ground Lease Agreement between the Governing Board, as  
179 lessor, and the Corporation, as lessee, which form may be executed from time to time with  
180 respect to one or more Facilities in substantially the form attached hereto and marked **Exhibit**  
181 **"D"**, with such changes therein as are necessary as shall be approved by the Chair or Vice Chair  
182 executing the same, with such execution to constitute conclusive evidence of such officer's approval  
183 and the District's approval of any changes therein from the form of Ground Lease attached hereto.

184         **SECTION 7. Approval of Form of Assignment Agreement.** The District does hereby  
185 approve the form of an Assignment Agreement (the "Assignment Agreement") between the  
186 Corporation and the Trustee whereby the Corporation shall assign to the Trustee all of its right,  
187 title and interest in and to a Ground Lease and the Lease or Leases created by one or more particular  
188 Schedules, including its right to receive basic lease payments under such Lease or Leases. The  
189 Assignment Agreement shall be in substantially the form thereof attached hereto and marked  
190 **Exhibit "E"**, with such changes therein as are necessary or desirable. The execution and delivery  
191 of the Assignment Agreement by the Corporation and the Trustee shall constitute conclusive  
192 evidence of the approval thereof.



PASSED AND ADOPTED this 9<sup>th</sup> day of October, 2008.

SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
By its Governing Board



*Jackie McGarty*  
Secretary

Chair

Legal Form Approved:  
SOUTH FLORIDA WATER MANAGEMENT  
DISTRICT  
Office of General Counsel

By: *MSB [Signature]*

Date: October 9, 2008

**EXHIBIT A**  
**STAFF REPORT**

# SUMMARY OF BENEFITS OF USSC ACQUISITION

## Authored by:

### **Ken Ammon**

Deputy Executive Director  
South Florida Water Management District

### **Tommy Strowd**

Assistant Deputy Executive Director  
Everglades Restoration Resource Area  
South Florida Water Management District

### **Garth W. Redfield, Ph.D.**

Certified Senior Ecologist  
Chief Scientist  
South Florida Water Management District

South Florida Water Management District  
3301 Gun Club Road, West Palm Beach, FL 33406  
561-686-8800 | FL WATS 1-800-432-2045 | [www.sfwmd.gov](http://www.sfwmd.gov)  
Mailing: P.O. Box 24680, West Palm Beach, FL 33416-4680

**Ken Ammon**  
Deputy Executive Director  
South Florida Water Management District  
Biography of Ken Ammon attached as Exhibit "A"

**1.0 What purchase will accomplish and what effect purchase will have on CERP/Expedited Projects**

**1.1 Report Summary**

This report provides an explanation of the benefits the purchase of the U.S. Sugar Corporation properties will accomplish as part of the "River of Grass Acquisition Project" for restoring the Everglades ecosystem. The South Florida Water Management District worked with the Federal Government to develop the Comprehensive Everglades Restoration Plan (CERP) to repair damage done to allow agriculture and development of South Florida. A large part of this plan focuses on returning some of the water storage capacity that was lost due to the construction of water management structures.

CERP was developed with the assumption of certain limitations. One of the primary limitations was the limited land available with the Everglades Agricultural Area that could be used for water storage and treatment. At the time, the prospect of purchasing 51,000 acres known as the "Talisman property" was expected to be the limit for surface water reservoirs to the south of Lake Okeechobee.

The opportunity to purchase the U.S. Sugar Corporation properties significantly improves the ability to effectively manage the quantity, quality, timing and distribution of water flows to the Everglades – four key facets of CERP.

**1.2 Prior Assumptions Related to CERP**

The Comprehensive Everglades Restoration Plan was finalized in 1999 as a joint effort by the Federal Government and the State of Florida. The effort resulted in a consensus driven

document that was based in part upon work done by the "Governor's Commission on a Sustainable South Florida" established by then Governor Lawton Chiles. The Commission developed a concept for the restoration of the Everglades with a major goal of returning water storage capacity to the system that was lost due to construction of canals, levees and other water control structures to promote agriculture and other and development activities. In particular, the Commission identified the Everglades Agricultural Area (EAA) as an important location for surface water storage.

The highly productive agricultural lands within the EAA are very valuable to the local economy. As a result, CERP recognized that there were limitations on the availability of land from willing sellers within the agricultural area. Other options for obtaining land in this area is limited because the South Florida Water Management District, who serves as the agent for the State of Florida in its role as the local sponsor to the Federal process, is specifically restricted by State statute from utilizing condemnation as a land acquisition mechanism for Everglades restoration.

In 1999, the District was afforded the unique opportunity to purchase approximately 51,000 acres of agricultural lands from the St. Joe Paper Co. This land, located in the southern portion of the EAA, is known generally as the "Talisman property." The hydrologic analysis performed through the CERP effort assumed that the Talisman purchase was the physical limit for the application of surface water reservoirs south of Lake Okeechobee and that it would provide a significant portion of the water storage needed to facilitate the restoration of water flows to the Everglades.

Furthermore, it was assumed that the water quality treatment requirements for the Everglades would be met. However, no additional treatment acreage was explicitly included in the CERP plan.

### **1.3 What the Purchase will Accomplish: Water Management**

The additional lands made available through the purchase of the U.S. Sugar Corporation properties, over and above those previously acquired for use in CERP, can significantly improve the ability to effectively manage water in South Florida and advance Everglades restoration.

Much of the benefit of the purchase will come from the ability to store more water and hold it longer than currently possible. This water comes from local drainage basin stormwater runoff within the EAA and regulatory releases from Lake Okeechobee. These waters typically contain high levels of nutrients and currently there are few options to limit their release. Additional storage capacity makes it possible to hold the water for treatment and release it over time to supplement the environmental water needs of the Everglades.

The operation of storage reservoirs in the EAA would be coordinated with additional storage reservoirs north of Lake Okeechobee and the management of stages within the Lake. This gives additional options for the management of water throughout much of South Florida.

Building treatment wetlands in the EAA can significantly increase the District's ability to effectively improve water quality. The wetlands will filter nutrients from the waters and prevent them from entering the overloaded Everglades ecosystem.

The additional storage capability that is possible through the "River of Grass Acquisition Project" will facilitate the movement of water into the Everglades. Significantly improving the volume, frequency and duration of environmental water deliveries to the Everglades will benefit both the fauna and flora of the ecosystem.

Lake Okeechobee will also benefit from the purchase of additional lands. Excess water is currently stored in the Lake, which strains its ecosystem. Additional storage capability will facilitate moving water south to the Everglades, thereby reducing the severity, frequency and duration of both excessively high and low stages in the Lake.

Extra water storage areas within the EAA will significantly improve the ability to effectively convey excess water from local drainage basin stormwater runoff. During major rainfall events, this additional capability will facilitate the diversion of local runoff from the existing canal network into reservoir storage and thereby avoid having to "back-pump" the pumping stations along the southern rim of Lake Okeechobee to move this excess water into the Lake. Stopping back-pumping reduces the amount of nutrients that may possibly enter the Lake from agricultural lands.

#### **1.4 What the Purchase will Accomplish: Safety**

The Herbert Hoover Dike (HHD) is a system of earthen embankments along the perimeter of Lake Okeechobee. These embankments have been constructed intermittently since the early 1900s. The Federal Government's involvement began in the 1930s with the construction of dikes for flood protection along the north and south shores. The current system now encircles Lake Okeechobee almost entirely with the exception of the Fisheating Creek area on the western shore.

The HHD is currently managed under the U.S. Army Corps of Engineers' (USACE) dam safety criteria because of its permanent pool and its potential to cause catastrophic life safety, economic and environmental consequences should a breach occur.

In October 2007, the U.S. Army Corps of Engineers determined that it was likely that structural failure involving piping, a form of internal erosion, from seepage has begun in certain

parts of the HHD. The rate at which piping is occurring depends on lake level, with greater loss when the lake level is highest. Seepage volume and distress indicators in some reaches of the structure indicate that failure is likely when the reservoir operates with water levels above an elevation of about 17 feet NGVD. In this context "failure" means an uncontrolled release of water resulting from a catastrophic breach of some portion of the HHD embankment.

The additional lands made available through the purchase of U.S. Sugar Corporation properties will allow for additional water storage outside of Lake Okeechobee. This additional storage capability will allow water to be moved south to the Everglades, thereby reducing the severity, frequency and duration of excessively high stages in the Lake. This in turn reduces the hydraulic pressure on the Herbert Hoover Dike and subsequently reduces the threat to public health, safety and property.

#### **1.5 What the Purchase will Accomplish: Economics**

The acquisition of the U.S. Sugar Corporation assets includes approximately 187,000 acres of agricultural lands currently under cultivation for both citrus and sugar cane. It is anticipated that a portion of the land will not be used to achieve hydrologic restoration of the Everglades. It is possible that the residual lands can remain in agricultural production.

The products of the agricultural land are not restricted to the traditional uses. Renewable energy sources are becoming increasingly important in the public debate over fuel alternatives, environmental issues and the world economy. Biomass is one the more common form of renewable energy in the third world. However, until recently, it has been less common in the Western world. The U.S. ethanol production capacity has been expanding rapidly, particularly since mid-2006, with important implications for the food and fuel sectors of the country's

economy. Sugar cane has been identified as a potential source of cellulose biomass that could be used in the production of ethanol and other biofuel products.

Future technology improvements and economic factors may facilitate the expansion of current sugar production in the region to include the development of biofuels in the EAA, thereby insuring a sustainable agricultural economy for years to come.

#### **1.6 What the Purchase will Accomplish: CERP**

A major goal of CERP is returning water storage capacity to the system that was lost as a result of man-made drainage improvements. Furthermore it was recognized that water quality treatment would be a component of the overall plan as well. Surface water storage reservoirs were always considered a major element of the restoration concept identified by the Governor's Commission for a Sustainable South Florida and documented within CERP. It was recognized early in the planning process that land from willing sellers was limited in availability and this constraint forced CERP to focus on other technologies such as Aquifer Storage and Recovery to make-up the remainder of the storage goals. This purchase will facilitate additional surface water storage south of Lake Okeechobee over and above that contemplated in CERP, potentially improving the plan's ability to meet the goals and objectives.

The purchase also will enhance the time and monetary investments the District and the State of Florida have already made into CERP and other Everglades restoration programs. To date, the monetary investments total approximately \$2,400,000,000.

/s/ \_\_\_\_\_  
**Ken Ammon**  
Deputy Executive Director  
South Florida Water Management District

**Tommy Strowd**  
Assistant Deputy Executive Director, Everglades Restoration Resource Area  
South Florida Water Management District  
Biography of Tommy Strowd attached as Exhibit "B"

## **2.0 How the restoration and protection will be accomplished by the purchase**

### **2.1 Report Summary**

This report provides an early overview of how Everglades restoration and protection can be accomplished through the "River of Grass Acquisition Project" and the purchase of the U.S. Sugar Corporation properties. During the development of the Comprehensive Everglades Restoration Plan (CERP), it was recognized that improving water storage was one of the keys to the health of the Everglades.

Additional storage in reservoirs in the Everglades Agricultural Area (EAA) gives managers the opportunity to restore the Everglades hydroperiod, which is necessary to making water available when and where it is needed for animal and plant life. Controlling the flow of nutrients into the Everglades can also help restore the natural plant communities within the ecosystem.

### **2.2 Restoring the Hydroperiod**

The purchase of the U.S. Sugar Corporation will help restore the hydroperiod of the northern and southern Everglades. Land acquired through the purchase will allow for the movement of vast amounts of water from north of Lake Okeechobee and from the Lake itself to the southern Everglades utilizing a highly managed system of reservoirs and treatment facilities.

The reservoirs developed through the "River of Grass Acquisition Project" will capture excess water from local drainage basins and Lake Okeechobee regulatory discharges during wet periods. Water can then be placed in storage until necessary to meet environmental water needs during dry periods. In addition to reservoir construction, improvements to the current canal

conveyance system in the Everglades Agricultural Area (EAA) may be required to facilitate the movement of stored water to treatment areas and subsequent release to the Everglades.

### **2.3 Managing Nutrients**

Excess nutrients entering the Everglades are considered one of the major threats to the "River of Grass Acquisition Project." The natural balance of plant species within Everglades marshes have been disrupted by high levels of phosphorus, which allows certain plants to become dominant.

The purchase will help address nutrient loading to the Everglades through construction of wetland treatment areas in the EAA. Diverting phosphorous laden runoff and Lake Okeechobee releases to these additional wetland treatment areas gives time for water treatment and filtration prior to entering the southern Everglades.

Converting existing agricultural land to reservoirs and treatment wetlands reduces the amount of nutrients entering the regional watershed. Under current agricultural practices, both sugar cane and citrus apply supplemental nutrients in the form of fertilizer applications. Furthermore, agricultural cultivation and associated drainage practices create conditions that accelerate the oxidation of the muck soils in the region, which releases additional reactive forms of nutrients into the environment. The use of a portion of the purchased lands for water storage reservoirs and wetland treatment areas will significantly reduce the soil oxidation process and eliminate the need for continued fertilization.

Current wetland treatment systems in the EAA are designed to handle the direct inflow of stormwater runoff from agricultural lands in the basin. Recent experience in the operation of the treatment facilities has shown that the high flows and water velocities associated with major

rainfall events has a tendency to disrupt the wetland vegetation communities thus reducing the nutrient-removal capability of the plants.

The purchase and utilization of a portion of U.S. Sugar Corporation lands for the construction and operation of large scale reservoirs and wetland treatment systems will significantly improve the operation and effectiveness of treatment facilities. Additional reservoirs will hold excess levels of runoff and allow them to gradually release the captured storm flow more slowly over a longer period of time. This minimizes high flow damage to sensitive wetland vegetation, thereby improving overall treatment efficiency.

s/s  
\_\_\_\_\_  
**Tommy Strowd**  
Assistant Deputy Executive Director  
Everglades Restoration Resource Area  
South Florida Water Management District

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**Garth W. Redfield, Ph.D., Certified Senior Ecologist**  
Chief Scientist  
South Florida Water Management District  
Curriculum Vitae of Garth W. Redfield, Ph.D. attached as Exhibit "C"

**3.0 Why the purchase will accomplish the restoration and protection**

**3.1 Report Summary**

This report provides an overview of environmental science demonstrating the extraordinary value of the "River of Grass Acquisition Project" for restoring and sustaining the Everglades ecosystem. Man's need for drained land, flood protection and water supplies in South Florida has driven the development of a complex water management system operated by the South Florida Water Management District and the U.S. Army Corps of Engineers. Over the past century, the Everglades marshes have been largely disconnected from their watershed and divided into compartments with levees and canals. This separation forced water from Lake Okeechobee to be discharged east and west to coastal ecosystems causing enormous ecological harm to these important estuaries. The water management system has been very successful in meeting man's needs, but has had unintended consequences for the environment. The Comprehensive Everglades Restoration Plan (CERP) seeks to undo much of this damage by improving the quantity, quality, timing and distribution of water supporting the ecosystem.

The "River of Grass Acquisition Project" is an amazing opportunity to support restoration simultaneously in each of these four aspects of water and to do so to a degree not possible with projects planned to date. The Acquisition Project will allow massive quantities of water to be stored and released southward when the downstream marshes need hydration to sustain aquatic plant and animal communities and preserve Everglades peat soils. Water storage (quantity) will work hand in hand with stormwater treatment (quality) through the existing treatment system and expanded treatment marshes to be incorporated into the Acquisition Project to cleanse water as it

moves south. By adding necessary infrastructure, water stored and treated through the Acquisition Project will be transported to where it is needed (distribution) and when it is needed (timing) to sustain balanced populations of marsh plants and wildlife.

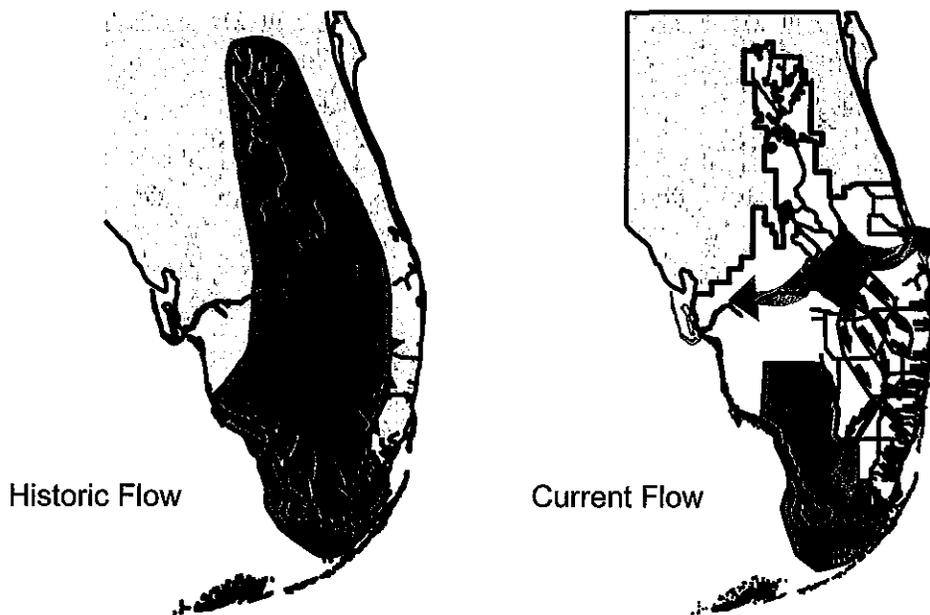
The "River of Grass Acquisition Project" goes far beyond the expectations of any restoration project contemplated to date and holds promise to restore much of the historic connection between the Everglades marshes and Lake Okeechobee. Ecosystem benefits are also expected to extend upstream. The ability to store, treat and move huge amounts of water southward will allow depths in the Lake to be managed much more wisely for the Lake environment. With the Acquisition Project, fewer extreme fluctuations will promote better ecological balance and productivity, and maintain a prudent margin of safety for the Hoover Dike surrounding the Lake. The Acquisition Project's benefits also radiate east and west to the estuaries. The ability to move large volumes into the southern Everglades will reduce harmful pulses of freshwater and associated contaminants now discharged to coastal areas. Better control of freshwater inputs will permit the estuaries to be restored and maintained as productive marine ecosystems with healthy salinity gradients and nutrient levels.

### **3.2 Evolution of Water Management Sets the Stage for the "Acquisition Project"**

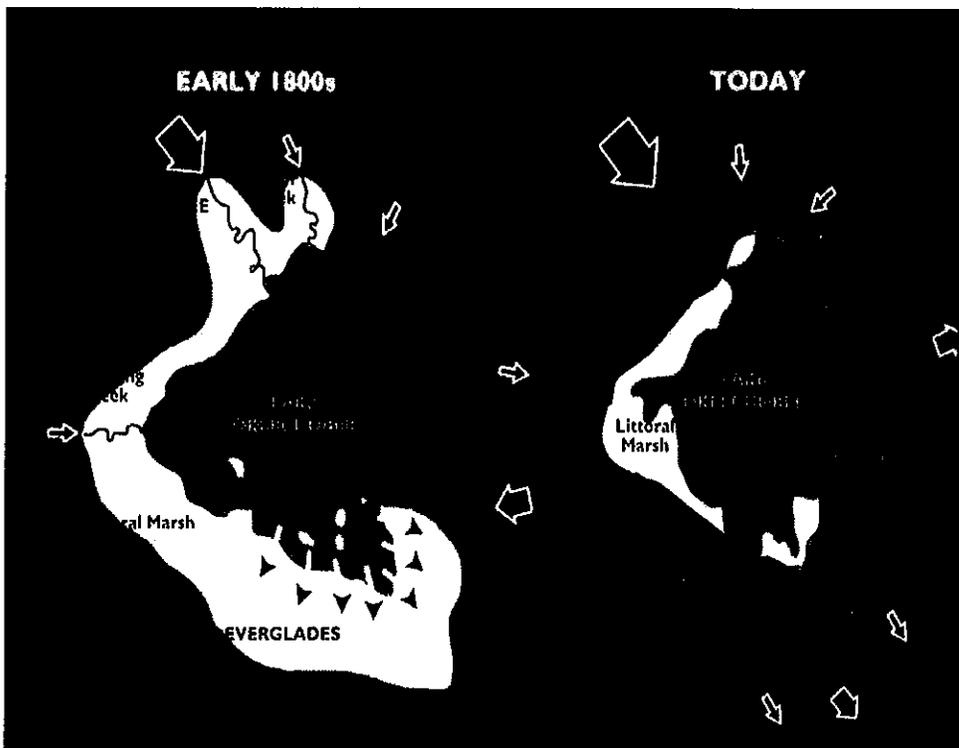
The original "River of Grass Acquisition Project" was an interconnected system through which water gradually made its way from Lake Okeechobee south across what is now the Everglades Agricultural Area into Everglades marshes that extended in a connected series all the way south to Florida Bay and other distributaries along the coast (Figure 1). The natural system covered about nine million acres and provided a diverse array of habitats and landscapes. Although the regional ecosystem was extremely diverse and productive, it was not conducive to settlement by Europeans and there were repeated calls to drain and reclaim the land for use in

agriculture and human settlements (Davis and Ogden, 1994; Chapter 4). With initial efforts at reclamation starting in the 1880s came disappointment and calls for more controls and water management.

Following massive loss of life and property in the floods of 1926 and 1929, a massive levee was constructed around Lake Okeechobee, effectively disconnecting the lake from downstream areas and leading to huge discharges of fresh water to tide through the Caloosahatchee River to the west and the St. Lucie waterway to the east (Figure 2). The four primary canals created under the Everglades Drainage District between 1907 and 1917 fell into disrepair in the Depression of the 1930s. Killer hurricanes of 1947 and 1948 were followed by extensive flooding and the State of Florida requested and got assistance from the Federal Government to develop an improved system of canals and water management structures. As a result of this State/Federal partnership, what is now the South Florida Water Management District was created. Together, the State and Federal governments systemically compartmentalized the region, further complicating water flow and separating the Everglades marshes into Water Conservation Areas separated from each other and from urban areas by an intricate series of canals, levees and water management structures (Davis and Ogden, 1994; Chapter 4).



**Figure 1.** The development of a water management system decreased the movement of water between Lake Okeechobee and the Everglades downstream and increased flows east and west to the coastal ecosystems.



**Figure 2.** The ability of Lake Okeechobee to expand and store large volumes of water was reduced by surrounding the Lake with the Hoover Dike in the 1930s and controlling water levels in the Lake to meet multiple objectives.

The Central and Southern Florida Project for Flood Control and other Purposes, the official title of this partnership, was constructed from the 1950s to the 1970s. The massive effort produced about 1,800 miles of canals, 160 drainage basins, 200 major water management structures and 27 pump stations (Figure 3). The Project was very successful for man's needs, but had a suite of unintended consequences for the natural environment, many continuing to this day. Natural water levels and landscape patterns of inundation were changed leading to too much or too little water in various areas across the region. Water quality declined as lands were developed or used for agriculture, saltwater intrusion proved to be a problem for water supply wells near the coast, billions of gallons of water had to be wastefully discharged to tide each day and there was a significant loss of Everglades habitat.

Water management today seeks to manage the region to minimize these negative effects and to supply water to meet environmental needs to the extent possible. However, the enormous natural storage capacity of the South Florida ecosystem has been lost, limiting government's ability to do meaningful resource management. Lake Okeechobee suffers from unnatural fluctuations in water levels and the coastal estuaries are damaged greatly when excess water must be released from the Lake. In the absence of major increases in storage capacity, there is simply no means to provide the Everglades with high quality water in the places and at the times that it is needed.

In the 1990s, a lengthy interagency planning effort produced a plan for improving water managers' ability to manage resources in a sustainable manner. Approved by Congress in 2000, the Comprehensive Everglades Restoration Plan (CERP) contains 68 projects that together are

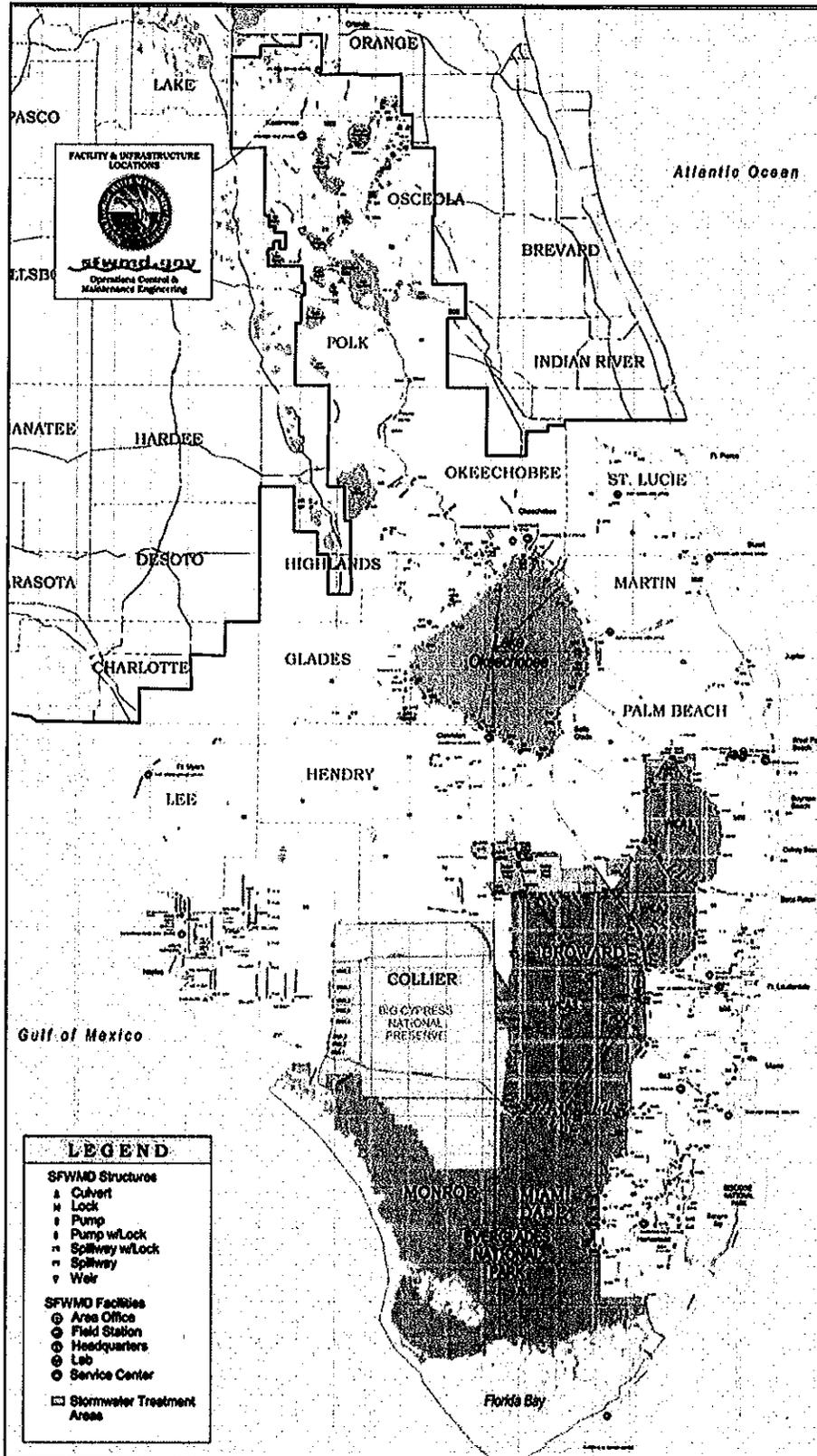


Figure 3. The South Florida Water Management District infrastructure includes over 1,800 miles of canals and levees with 200 major control structures in 160 drainage basins.

designed to turn back the clock and allow for better environmental management in the Region. CERP will improve the health of over two million acres of South Florida ecosystem, reduce or eliminate harmful discharges to coastal estuaries, increase water supply capabilities for nature and man alike, improve water quality at a regional level and maintain flood control. The linchpin for this restoration is massive water storage and the original CERP plans called for over 300 large wells to be used to store and retrieve water to drive the natural system. Although well-intended and theoretically feasible, pilot studies of these wells, known as Aquifer Storage and Recovery projects, have demonstrated the potential for very high costs of construction and operation, and water quality problems, as well as the difficulty of moving water to areas where it is needed.

For the first time since CERP planning began nearly two decades ago, we now have an opportunity through the "River of Grass Acquisition Project" to go beyond the limited capabilities of isolated storage in wells and small surface water reservoirs. Instead, the Acquisition Project makes it possible to achieve large capacity surface storage with the capability of moving us much closer to meeting the needs of the natural system and reconnecting areas of the region to a greater extent than would be possible otherwise. We now have the potential to attain more of the restoration goals described by Davis and Ogden (1994; Chapters 29 and 30) and embodied in the suite of CERP projects summarized comprehensively in Chapter 7A of the South Florida Environmental Report (Executive Summary is attached as Exhibit "D").

### **3.3 Comprehensive Restoration Requires Comprehensive Storage**

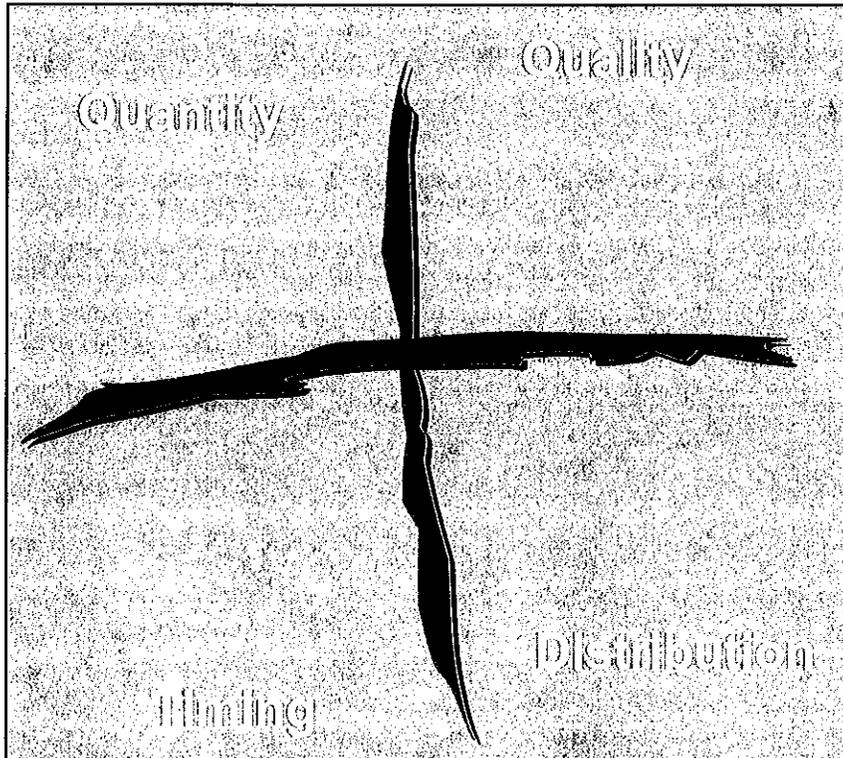
The disruption of natural water storage and movement in South Florida since 1900 dramatically altered the relationship between Lake Okeechobee and the Everglades ecosystem and eliminated much of the storage capacity in the original system. Lake Okeechobee and its 3.5

million acre watershed are rightfully viewed as the 'liquid heart' of the original Everglades; the Lake stored, then gradually released huge quantities of water southward into the Everglades marshes (Aumen, 1995; Havens, et al., 1996; Steinman et al., 2001). With the managed system across the landscape today, the quantity, quality, timing and distribution of surface water has been dramatically changed and the Everglades has been largely cut off from a direct connection to its original watershed. The changes in marsh hydrology are vast and the impacts cut deeply into functions and values of this unique ecosystem (Davis and Ogden, 1994; Chapter 10). CERP aims to improve all aspects of the marsh/watershed linkage, but planning has been faced with large uncertainties without a proven and practical means to these ends – until the "River of Grass Acquisition Project" (Figure 4).

As described by T. Stowd, the Acquisition Project will provide a reservoir capable of holding on the order of one million acre-feet of water and a management infrastructure capable of moving large amounts of water from the Lake and the Everglades Agricultural Area to the storage reservoir and from the reservoir to the Stormwater Treatment Areas (STAs), both those working today or currently planned and new STAs designed and built as part of the Acquisition Project.

A real strength of the Acquisition Project is a strong synergy of water storage and water treatment. Treatment wetlands must have a reliable source of water and the reservoir system being contemplated will allow surges of stormwater to be controlled and hydrological variations to be smoothed within and between dry and wet periods. This large increase in storage capacity and controllability provides the operational flexibility needed for optimal biological treatment of stormwater within each STA. Efficiency is enhanced because it will be possible to transfer water between STAs to balance the input of waters in need of treatment. The great improvement in

storage and control provided by the Acquisition Project will serve as a foundation for restoring and sustaining Everglades marsh habitats and the fish and wildlife that require these resources to thrive.



**Figure 4.** The Comprehensive Everglades Restoration Plan seeks to restore the ecosystem by improvements in water Quantity, Quality, Timing and Distribution – Q,Q,T,D. The "River of Grass Acquisition Project" contributes greatly to all four aspects of getting the water right.

### **3.4 Comprehensive Restoration Requires Water Low in Phosphorus**

Numerous studies have established that phosphorus is both essential for all life and damaging to natural freshwater biological communities when concentrations are pushed above background levels. Dozens of investigations on nutrient effects have been conducted in the Everglades and are compiled and interpreted by Payne et al. (2003). These authors and the references they cited, quantify the pivotal role of nutrients in Everglades ecology and document a cascade of ecological effects when phosphorus is moved into the ecosystem at levels outside the

natural range of variation. In freshwater sloughs far removed from inflows, flora and fauna can be altered when long-term concentrations go above 10 parts per billion (10 ug/L). This concentration has been adopted as a criterion in the State's water quality standard for phosphorus in the Everglades Protection Area and is being tracked each year in the South Florida Environmental Report (SFER), Chapter 3; details on the phosphorus rule can be found in Payne et al. (2006).

For purposes of Everglades restoration, concern for water quality is focused primarily on ensuring that phosphorus inflow concentrations are kept at very low levels so that the criterion can be met in a network of stations across the marsh (SFER, Chapter 3). Aggressive programs have been implemented to control phosphorus at its source (SFER, Chapter 4) and to treat stormwater as it moves south using the Stormwater Treatment Areas (STAs) (SFER, Chapter 5). The STAs are currently being expanded and will include over 60,000 acres of treatment marshes when planned additions are complete. This massive effort to improve water quality, now with a total commitment of over two billion dollars, is being done adaptively under the auspices of the "Long-term Plan for Achieving Water Quality Goals in the Everglades Protection Area." Activities and progress under this plan are described each year in Chapter 8 of the SFER. Improved water quality will move us one step closer to being able to reconnect the Everglades with its watershed.

The "River of Grass Acquisition Project" has the potential to produce a quantum jump in treatment capacity and water quality improvement, moving us far beyond treatment capabilities online or planned to date. Our existing STA system is constrained by available land, reliable sources of water and funding for construction and operation of these treatment wetlands. The

Acquisition Project will provide substantial land area for more treatment capacity and to provide a more reliable source of water for treatment through water storage and interbasin transfers.

### **3.5 Comprehensive Restoration Requires Water in the Right Place at the Right Time**

Everglades restoration projects seek to get the water right in quantity, quality, timing and distribution with the fundamental expectation that marshes will respond once the water resource is put back to a more natural configuration. As the entire Davis and Ogden (1994) volume describes so eloquently, the Everglades thrived on spatial and temporal variability. The historic ecosystem was shaped simultaneously by many driving forces, most involving the dynamics of water quantity, timing and distribution (see esp. Chapters 2, 12, 17, 18, 29 & 31). The movement of water over large and shallow areas (sheetflow) at wide ranging velocities was a defining characteristic of the original Everglades and was a major force shaping vegetation communities composed primarily of forested tree islands, ridge and slough habitat, sawgrass plains and wet prairies. In turn, the vegetation communities formed habitat needed for maintenance of a complex food web including invertebrates, primarily insects and crustaceans; many freshwater fishes; vertebrates like lizards, snakes, alligators and deer; and a diverse assemblage of wading birds (Chapters 13, 16, 19, 22, 26 & 27). Getting the water right is crucial.

As described in Section 2 and Section 3 of this report, the "River of Grass Acquisition Project" will provide the capacity, operational flexibility, water quality and distribution system that will move Everglades restoration forward through one integrated suite of projects. Water will be stored and cleansed before being routed to where it is needed, when it is needed. Certainly, plans for CERP in the Yellow Book have some of these qualities, but the Acquisition Project goes much farther and with much greater integration. The chances of fulfilling targets for

depths and inundation patterns will be improved greatly with the complementary projects to be built under the "River of Grass Acquisition Project."

The real potential for this huge increment of water for the Everglades arrives just in time. Over the last few years, scientific information has tended to support the view that much more water is needed to restore Everglades marshes (SFER, Chapter 6). CERP was designed primarily around water depth and duration targets for particular areas. Now, flow restoration is also considered important and meaningful restoration of flow requires more water in the right places and at the right times to meet the needs of the Everglades. Additional water will serve the needs of the "ridge and slough" habitat, a major portion of the marshlands, and will help alleviate salinity problems in Florida Bay and improve salinity gradients in other coastal areas.

### **3.6 Ecological Benefits Are Expected Upstream in Lake Okeechobee**

The "River of Grass Acquisition Project" will not only benefit downstream Everglades environments, but will also have tangible benefits upstream in Lake Okeechobee. As summarized by Aumen (1995) and Havens et al. (1996) and discussed at length in Chapter 10 of the South Florida Environmental Report each year, Lake Okeechobee has been damaged extensively by extreme fluctuations in water level. These fluctuations are caused by the Hoover Dike built in the 1930s. The dike cut the lake off from its huge littoral zone, forcing lake water to stay within a smaller area than the original lake (Figure 2). Depth variation is magnified by multi-objective management in which the needs of many water users must be balanced with ecological needs of the Lake itself.

When the Lake falls below about 11 feet NGVD, large shallow areas are drained, killing their aquatic vegetation and promoting sediment decomposition, invasion by terrestrial plants and damage from peat fires. At the other extreme, when water levels are higher than about 16

feet NGVD, the productive shallow areas near shore are covered too deeply and the submerged aquatic plant communities are damaged by strong currents and low underwater light levels. The only effective means to dampen these fluctuations in depth is to increase water storage outside the Lake and the "River of Grass Acquisition Project" provides just this capacity. With the Acquisition Project, water managers will be able to stay within a narrower range of depths to promote healthy vegetation communities around the Lake to the benefit of fish and wildlife that rely on this habitat.

### **3.7 Ecological Benefits are in Coastal Ecosystems to the East and West**

Chapter 12 of the annual South Florida Environmental Report provides updates on the status of South Florida estuaries and activities being undertaken to manage these valuable resources. Overall, the District seeks to ensure that freshwater discharges to South Florida estuaries are managed in a way to preserve, protect and restore estuarine resources. However, the current water management system described in Section 1 and Figure 3 of this report was designed to move large amounts of water off the land, to the Lake and into estuarine environments. Water managers have limited options to avoid excessively large freshwater discharges from the Lake to the Caloosahatchee River and Estuary to the west and the St. Lucie River and Estuary to the east. When water levels rise above target levels in the Lake regulation schedule, discharge to the estuaries is required for public safety and Lake health. Once again, more options for water management require massive water storage.

The "River of Grass Acquisition Project" will provide the means to control Lake Okeechobee water levels without huge discharges to the estuaries except under rare, extreme conditions. The ecological enhancements from reduced water loads to the east and west can not be overstated. The health of both estuaries is currently being impacted greatly by frequent

flushes of fresh water, damaging marine plant and animal communities and stressing entire estuarine food webs and the fish and wildlife that rely upon them. As described in SFER Chapter 12, initial steps are being taken to improve both quantity and quality of freshwater discharges. These actions are steps in the right direction, but they cannot deal with massive amounts of water from the Lake; the "River of Grass Acquisition Project" provides a solution for managing this large volume of water. The ability to move on the order of one million acre-feet annually to the south from the Lake will allow water managers to limit estuarine inputs to volumes that will support healthy estuarine biological communities and to help restore and protect the St. Lucie and Caloosahatchee estuarine resources.

/s/  
**Garth W. Redfield, Ph.D.**  
**Certified Senior Ecologist**  
Chief Scientist  
South Florida Water Management District

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Havens, K., N. Aumen, R. James and V. Smith. 1996. Rapid ecological changes in a large subtropical lake undergoing cultural eutrophication. *Ambio* 25: 150-155.

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Payne, G., K. Weaver and S. Xue. 2006. Chapter 2C: Status of phosphorus and nitrogen in the Everglades Protection Area. In: South Florida Environmental Report, South Florida Water Management District, West Palm Beach, FL. March 2006.

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Steinman, A., K. Havens, H. Carrick, and R. VanZee. 2001. The past, present and future hydrology and ecology of Lake Okeechobee and its watershed. In J. Porter and K.C. Porter, editors: *South Florida Hydroscape: The River of Grass Revisited*. Lewis Publishers, Boca Raton, FL.

**KENNETH G. AMMON, P.E.**



**EDUCATION:** GRADUATE FLORIDA INSTITUTE OF TECHNOLOGY, 1975  
**DEGREE:** BACHELOR OF SCIENCE IN OCEANOGRAPHIC TECHNOLOGY  
**LICENSES:** PROFESSIONAL ENGINEER REGISTERED IN THE STATE OF FLORIDA since 1983  
**MEMBERSHIPS:** FLORIDA ENGINEERING SOCIETY, NATIONAL SOCIETY OF PROFESSIONAL ENGINEERS, AMERICAN WATER RESOURCES ASSOCIATION, AMERICAN WATER WORKS ASSOCIATION and AMERICAN SOCIETY OF CIVIL ENGINEERS

Mr. Ammon has over 30 years of water resource planning, design, permitting, and engineering experience in both the private and public sectors in the state of Florida.

From 1976 to 1989, Mr. Ammon was employed by Gee and Jenson where he gained 13 years experience as a private engineering consultant and was Vice President and Regional Manager of the Stuart office for the second largest engineering firm in the State. His experience included working on surface water and environmental permitting issues to satisfy regulatory requirements associated with the South Florida Water Management District, the Florida Department of Environmental Protection, the United States Corps of Engineers, the Environmental Protection Agency, and various local government agencies. His experience included designing surface water management systems, processing Development of Regional Impacts, forming Community Development Districts and negotiating mitigation for environmental impacts. He also served as a Project Manager and Design Engineer for several major projects in the State including Reedy Creek Improvement District, Epcot Center, MCA Universal Studios, Palm Coast, Weston, and Harbourtown Marina.

Mr. Ammon served two years from 1989 to 1991 as Planning Director for a Gary Player signature golf course development in Martin County. His responsibilities included environmental and land use permitting, engineering design, contractor negotiations, and construction inspection/certification.

In April, 1991, Mr. Ammon joined the South Florida Water Management District where he is still employed today. He began as a Senior Engineer in the Planning Department and was originally involved with the Everglades Restoration Project. He was promoted to a Supervising Professional in 1992 serving as a Project Director for the Lower East Coast Regional Water Supply Plan.

In February of 1995 he was promoted to Deputy Director of Regulation and his responsibilities included oversight of 130 employees responsible for water use, surface water, and environmental permitting for the sixteen county area encompassed by the District.

In October of 1999, Mr. Ammon was promoted to Director of the Water Supply Department. His responsibilities included oversight of 4 Divisions and 145 employees. He was in charge of Regional Water Supply Planning, Consumptive Use Regulation and Rule Development, Water Conservation, Alternative Water Supply Grant Programs, and Regional Hydrologic Modeling. Mr. Ammon was responsible for the completion of the first four Regional Water Supply Plans and establishment of the District's first seven Minimum Flow and Levels for Priority Water Bodies. He also was the principal author of the District's "White Paper" defining the technical process and policy implications of establishing Reservations of Water for the Environment under Federal and State Law.

Mr. Ammon was the Director in charge of the 2000/2001 drought for the District. He was responsible for the day to day allocation of water during the most severe drought to affect the 16 county District. He was also the principle spokesperson for the District to the press and was interviewed with the media more than 80 times including radio, television, and newspaper reporters.

In October of 2003, Mr. Ammon was appointed Director of the Ecosystem Restoration Department. He was responsible for 170 employees and oversight of the planning, design, and implementation of the \$8.7 billion Comprehensive Everglades Restoration Program and the Kissimmee River Restoration Program. Mr. Ammon testified before the Senate Natural Resources Committee regarding the development of Minimum Flows and Levels and also was the District representative to the Senate Subcommittee on reservations for the environment convened by Senator Paula Dockery.

In August of 2004, Mr. Ammon was promoted to Assistant Deputy Executive Director and was responsible for the Everglades restoration "Accelerate Program" whose mission is to plan, design, construct, and operate eight major above-ground reservoirs within the next five years at a cost of approximately 1.5 billion dollars.

In June of 2005, Mr. Ammon was promoted to Deputy Executive Director of the Comprehensive Everglades Restoration Program (CERP) with oversight of 450 employees. In his present capacity Mr. Ammon is responsible for all land acquisition and management, Regional Hydraulic Modeling, CERP Planning and the District's Acceler8 program within the 16 county area encompassed by the District.

In the Spring of 2008 Mr. Ammon co-authored and published in the Florida Watershed Journal's Inaugural Issue. The title of the paper was: "Modeling of Large-Scale Environmental Projects in the Kissimmee-Lake Okeechobee-Everglades Watershed".

**TOMMY B. STROWD, P.E.**

**Assistant Deputy Executive Director, Everglades Restoration Resource Area**

Tommy Strowd has more than 29 years of experience in the environmental and water resource engineering fields—the vast majority of that experience has been focused in south Florida.

Tommy received a bachelor's degree in Oceanographic Technology from Florida Tech in 1976. He attended the Jensen Beach Campus and did much of his undergraduate course work in environmental and ocean engineering fields in the St. Lucie River, the Indian River Lagoon and off the coasts of Stuart and Fort Pierce.

After graduating, he worked for the National Marine Fisheries Service, the Florida Department of Transportation and the Florida Department of Environmental Regulation (Now know as the Department of Environmental Protection) before taking an engineering position in 1979 with the consulting firm of Gee & Jenson Engineers-Architects-Planners, Inc as a project manager. Tommy became registered as a professional engineer in the State of Florida in 1983. He remained in the consulting engineering field until 1992 when he accepted a position as a senior engineer with the South Florida Water Management District.

During his tenure with the District, Tommy worked on several key regional planning efforts that changed the way that the State and the nation viewed regional water resource management in south Florida. These efforts included the Lower East Coast Regional Water Supply Plan, the Northwest Miami-Dade Lake Belt Plan, the East Coast Buffer Feasibility Study and the Comprehensive Everglades Restoration Plan.

In 1996 Tommy accepted the position of Operations Director, where he was responsible for the real-time operation and maintenance of the 1,800 miles of canals and over 2,000 water control structures and pumping stations of the Central and Southern Florida Flood Control Project. During this period, the operations group dealt with the second-highest stage on record in Lake Okeechobee, two serious regional flood events and the most severe multi-year drought in south Florida's recorded history. He also dealt with serious ecological issues including two major periods of high stages in Lake Okeechobee which resulted in maximum discharges to the coastal estuaries and modifying operations to address the plight of the endangered Cape Sable Seaside Sparrow.

Tommy served in this position for over 6 years when he took the position of Southeast Regional Manager for both environmental and civil engineering business groups of Greenhorne and O'Mara, Inc. He served in this capacity for almost a year and a half, before he returned to the District in 2005 to become the Director of the Acceler8 Program—the State of Florida's effort to accelerate the design and construction of the Everglades Restoration Plan. Tommy was recently promoted to Assistant Deputy Executive Director for the CERP the program.

Tommy currently lives in western St. Lucie County with his wife Barbara, of 30 years.



### Professional Affiliations and Certifications

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1972–2005	American Society of Limnology and Oceanography
1973–present	Ecological Society of America
1973–1998	Societas Internationalis Limnologie
1979–1998	Sigma Xi, The Scientific Research Society
1981–2002	North American Lake Management Society
1985–1995	International Congress of Ecology
1995–2004	Florida Lake Management Society
1981–1986	Certified Ecologist, Ecological Society of America
1987–present	Certified Senior Ecologist #139, Ecological Society of America

### Honorary and Advisory Activities

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2008-2011	Elected Member, Board of Professional Certification, Ecological Society of America, 1823 L Street, NW, Washington, D.C.
2008-2011	Appointed Member, Science Coordination Group, South Florida Ecosystem Restoration Task Force, c/o Florida International University, 11200 SW 8 <sup>th</sup> Street, OE 148, Miami, FL 33199
2004-2008	National Water Quality Monitoring Council, under auspices of Advisory Committee on Water Information, Council of Environmental Quality; appointed member for wetlands and southern Florida
2004–present	Member, litigation team providing scientific analyses and expert testimony on water quality and aquatic ecology for: 1. USA vs. South Florida Water Management District et al., NO. 88-1886-CIV-MORENO; (Everglades water quality); 2. Miccosukee Tribe of Indians vs. State of Florida, NO. 03-2872RP, MAHONEY (P rule administrative challenge); 3. Miccosukee Tribe of Indians of Florida v. South Florida Water Management District, et al., Case No. 98-6056-CIV-Lenard/Klein (S-9 NPDES Permitting); 4. Friends of the Everglades, Inc. et al., v. South Florida Water Management District, et al. Case No. 02-80309-CIV-Altonaga/Turnoff (S2,3,4 NPDES Permitting)
2003–2004	Recipient of ‘Team of the Month’ as member of the litigation team for defensive of the phosphorus rule for the Everglades Protection Area; The rule was upheld in its entirety as a water quality standard, NO. 03-287RP.
2002–present	Member, Board of Directors, Florida Earth Foundation, Inc. (a not-for-profit corporation) West Palm Beach, FL
2001–2004	Invited Member, Sustainable Biosphere Initiative Advisory Committee, Ecological Society of America, Washington, D.C.
2000	Recipient, South Florida Water Management District “Award of Excellence” as Editor and Project Manager of the 2000 <i>Everglades Consolidated Report</i>
1982–present	Reviewer for governmental agencies and professional journals: National Science Foundation, National Oceanographic and Atmospheric Administration, U.S. Environmental Protection Agency, National Academy of Science, <i>Hydrobiologia</i> , <i>Lake and Reservoir Management</i> , <i>Water Resources Bulletin</i> , <i>Environmental Pollution</i> , and <i>Water, Air, and Soil Pollution</i> , <i>Journal of the American Water Resources Association</i>

- 1999 Invited Scientific Reviewer for Academic Press, *Aquatic Ecology: Pattern, Process and Scale* (draft), W.K. Dodds and A.P. Covich, authors
- 1998 Technical Reviewer, Salton Sea Restoration Project, U.S. Geological Survey, Middleton, WI
- 1998–2006 Member, Advisory Council, Center of Excellence in Water Quality, Florida Agricultural and Mechanical University, Tallahassee, FL
- 1994–1996 Member, Scientific Advisory Panel, Biological and Agricultural Systems Engineering Program, Florida A & M University, Tallahassee, FL
- 1995–1997 South Florida Water Management District Environmental Education Committee, representing Water Resources Evaluation Department
- 1995–1999 Elected Member, Board of Directors, Florida Lake Management Society, Orlando, FL
- 1997 Member, Supplemental Technology Working Group recommendations for supplemental technology research and development
- 1997 Technical Sessions Chairman and Proceedings Editor, New Perspectives and Tools for Lake and Watershed Management, Annual Meeting, Florida Lake Management Society, Palm Beach Shores, FL
- 1997 Invited Reviewer of Kissimmee River Evaluation Program recommendations on river restoration monitoring program co-authored with Dr. Leonard Berry, Director, Center for Environmental Studies, Florida Atlantic University, Boca Raton, FL
- 1997 Session Moderator on Wetland Restorations, International Conference, Society for Ecological Restoration, Fort Lauderdale, FL
- 1997–present Agency Representative and Chair, Technical Oversight Committee for Everglades monitoring and research required by: USA vs. South Florida Water Management District et al., NO. 88-1886-CIV-MORENO
- 1997–1999 Agency Representative to the Everglades Technical Advisory Committee development of nutrient thresholds and standards
- 1995–1996 Appointed Member, Committee to Create a Council of Aquatic Sciences representing American Society of Limnology and Oceanography and Ecological Society of America, Dr. Craig Williamson, Chairperson
- 1996–1998 Appointed Member, Steering Committee for the 1998 Special Joint Meeting, American Society of Limnology and Oceanography and Ecological Society of America
- 1994–1997 Elected Member, Board of Professional Certification, Ecological Society of America, Washington, D.C.
- 1993–1995 Appointed Member, Awards Committee for Corporate Awards, Ecological Society of America, Washington, D.C.
- 1993 Moderated *Water Watch* television segments on restoring the Everglades, Florida Bay, and the South Florida canal system
- 1993 Member, Steering Committee for the Symposium for Technical Exchange, Tampa, FL, sponsored by the Florida Water Management Districts and the Florida Department of Environmental Protection
- 1992–1993 Agency Delegate, Interagency Working Group on Florida Bay, a multi-agency committee to guide Florida Bay research
- 1991 Co-convener, with Cathy Pringle, "Reconversion of Agricultural Lands to Wetlands and Aquatic Habitat Restoration," part of a symposium on Sustainable Development and Biodiversity: Conflicts and Complementarities, Cornell University, Ithaca, NY

- 1991-1992 Member, Codium Research Steering Committee, an interagency group to guide research on bloom formation near Florida's coral reefs
- 1985-1991 Founding Editor, *Lake and Reservoir Management*, journal of the North American Lake Management Society, reviewed 50-100 manuscripts per year
- 1986-1992 Scientific Advisory Panelist, Living Lakes, Inc., Washington, D.C. evaluated lake restorations and proposals for research
- 1990 Member, Task Force on Merit Review, National Science Foundation, Washington, D.C.
- 1989 Site Visit Coordinator and Review Manager for Environmental Sciences, Science and Technology Centers Program, National Science Foundation, Washington, D.C.

### **Panel and Workshop Participation**

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- 1998-present Organizer of annual peer review workshop and public hearing for the South Florida Environmental Report, formerly the Everglades Consolidated Report, as required by the 1994 Everglades Forever Act
- 1999 Moderator for the South Florida Restoration Science Forum (Day Two), Boca Raton, FL
- 1997 Organizer of Atmospheric Deposition into South Florida: Measuring Net Atmospheric Inputs of Nutrients, a conference hosted by the South Florida Water Management District, West Palm Beach, FL
- 1996 Organizer of Toxic Substances in the South Florida Environment, a multiagency workshop for the Governing Board, South Florida Water Management District, West Palm Beach, FL
- 1996-present Oversight of peer review for the South Florida Water Management District. Peer reviews include: Minimum Flows and Levels for the Everglades, Biscayne Aquifer, and Lake Okeechobee as well as the Caloosahatchee, Loxahatchee, and St. Lucie estuaries; a series of groundwater models for South Florida water supply planning; Everglades Consolidated Report review panels 1998-2003; and external peer review of 'The Role of Flow in the Everglades Ridge and Slough Landscape' conducted in support of the Comprehensive Everglades Restoration Plan. August 2002.
- 1993-1996 Oversight of panels and workshops for the South Florida Water Management District. Panels include: Criteria Development for Isolated Wetlands; Scientific Advisory Panel for Kissimmee River Restoration; Panel to Develop the Conceptual Basis for Evaluating the Kissimmee River Restoration; Lake Okeechobee Phosphorus Control Panel; and Dynamics of Phosphorus in the Lake Okeechobee Watershed
- 1994 Participant, Peer Review Retreat, Council of Biology Editors, Airlie House, Warrenton, VA
- 1992 Organizer of Florida Bay: Environmental Status, Information Needs, and Management Potential, a multiagency workshop for the Governing Board, South Florida Water Management District, West Palm Beach, FL
- 1991 Participant, Interagency Workshop on Research Planning for the Florida Bay Ecosystem, Everglades National Park, FL
- 1991 Co-convener, Workshop on Reconversion of Agricultural Land to Wetlands, Cornell University, Ithaca, NY
- 1989 Participant, Reservoir Science workshop, Lake Barclay, Cadiz, KY

- 1988 Participant, Ecology for a Changing Earth workshop, Santa Fe, NM
- 1988 Program Reviewer, National Ecology Center, U.S. Fish and Wildlife Service, Fort Collins, CO
- 1987 Scientific Review Panelist, Undersea Research Program, National Oceanographic and Atmospheric Administration, Avery Point, CT
- 1987 Member, Technical Advisory Panel on Water Quality Standards, Commonwealth of Virginia, Williamsburg, VA
- 1987 Participant, Community Structure and Function in Streams workshop, University of Montana, Flathead Lake Biological Station, MT
- 1986 Participant, Complex Interactions in Lake Communities workshop, University of Notre Dame, Notre Dame, IN

### **Summary of Professional Experience**

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**Management:** As Associate Program Director (GS-14/AD-3) for the Ecology Program of the National Science Foundation (1982-1990), I co-administered a peer-review system for evaluating more than 400 proposals per year and \$10 million annual budget. This position required current knowledge of ecological science and the community of researchers, particularly for the assignment of reviewers and the evaluation of reviewer opinion. In collaboration with the Program Director, my primary duties were the allocating limited research funds, weighing budgetary constraints against scientific merit, examining program funding history, and assessing research priorities. Long-term planning for the Ecology Program was an ongoing responsibility, requiring analysis of research trends and of opportunities for expansion of the program portfolio.

A significant fraction of time with the National Science Foundation was devoted to communicating with the research community, fostering new research areas for federally sponsored ecological research. As a review manager for the Science and Technology Centers Program, I gained experience in evaluating multimillion-dollar projects that cut across traditional disciplinary boundaries. In spring 1990, I was appointed to a task force, authorized by the Director of the Foundation, to determine options for managing the workload involved in the process of proposal writing and review. The task force analyzed staffing allocations between competing groups, determined reasonable workloads for professional staff, and studied innovative approaches to reducing workload within the research funding process.

Routine administrative duties included managing the program workload, co-chairing advisory panel meetings, participating in research workshops, and dealing with inter-program relationships within the Foundation. Formal training in management was provided by several short courses: Program Management, Effective Time Management, and A Management Institute for Scientists and Engineers.

From 1991 to 1996, I was a Division Director for the South Florida Water Management District. In addition to general oversight responsibilities for division projects and staff, my duties included directing the development of District peer-review and publication processes. During 1992-1993, I managed the organization of an Expert Assistance Program, through which dozens of outside experts are made available to District professional staff through purchase orders. Expert Assistance has proven to be highly valuable for bringing research to closure via publication and for getting expert help to solve problems quickly.

During this time, I also had primary responsibility for the District's collaborative relationships with research institutions, particularly a Memorandum of Understanding with Florida Atlantic University for cooperative studies of the Everglades ecosystem.

Additional duties as Division Director included overseeing staff publications; organizing research conferences and advisory panels; providing peer review of projects during planning, execution, and publication phases; representing District research to other agencies in South Florida; assisting in developing plans for District research; and recruiting new research staff. I provided management oversight and scientific input to the South Florida Mercury Studies Program from 1993 to 1996. This multiagency program has become a prime example of excellence in applied research and agency collaboration. In addition, I co-authored a plan for technical review of District programs, projects, and products to guide the continuing use of peer review as a tool for quality assurance in technical activities of the District and its collaborating agencies.

From 1996 to the present, I have held the position of Chief Scientist for the District's Environmental Resource Assessment Department. I am responsible for quality control for reports and publications, and I continue to provide technical oversight for a diversity of projects conducted by departmental teams in support of environmental management and associated legal/administrative processes. I have direct responsibility for guiding peer review of District programs, projects, and products. My role is also one of a scientist "at large" for special interdepartmental and interagency assignments that require expertise in water quality and environmental management. In this capacity, I am responsible for organizing and editing the South Florida Environmental Report, a mandated document with dozens of contributing authors and consolidating over 50 annual reports into a unified publication process. To date, this unique report has received nine national awards for excellence in scientific reporting. I serve as the Senior Technical Editor responsible for a stand-alone Executive Summary of the report, which is written to communicate with a broad audience. Recently (2003 - 2004), I represented our agency in legal proceedings to develop and adopt the phosphorus water quality standard for the Everglades and have been called upon as an expert witness on water quality and aquatic ecology in the Federal case USA vs. District et al. (88-1886-CIV-MORENO) concerning restoration of the Everglades and Miccosukee Tribe vs. State of Florida (03-2872RP, Mahoney) concerning the phosphorus water quality standard for the Everglades Protection Area. Currently, I am participating in two federal cases concerning the application of NPDES permits to water transfer activities in South Florida. Both cases have national significance for the expansion of NPDES permitting to cover water transfers.

**Research:** My research interests include the trophic-level interactions in aquatic environments, atmospheric deposition, water quality, and nutrient cycling. The limnology and management of urban and recreational lakes are areas of particular interest. Factors affecting the science-management linkage and the peer-review process are other areas of interest derived from work with the National Science Foundation. Regional issues in water quality analysis and treatment are of on-going interest as related to my position with the Environmental Resource Assessment Department of the South Florida Water Management District.

**Ecological Consulting:** I began professional consulting as a graduate student in 1977 and continued on a part-time basis until 1991. This activity provided a solid base of experience

in lake management and applied ecology. Environmental impact assessment in Nigeria led to an appreciation of applied tropical ecology, field logistics in a developing country, waterborne diseases, and equatorial limnology. I gained experience in lake management from analyzing non-point source pollution and options for control, evaluating lake trophic state, conducting water quality monitoring, and assessing the effectiveness of lake restoration techniques. My interaction with property owners and community associations has provided experience in communicating ecological principles to decision makers and private citizens. Consulting clients included Reston Association, VA; Town of Salisbury, CT; and Lake Barcroft Watershed Improvement District, VA. Recently (2003), I conducted an independent peer review for U.S.E.P.A. of a draft guidance manual for developing numerical nutrient criteria for wetlands.

**Teaching:** In 1976, I taught a three-unit lab/lecture course in classical limnology and interpretation of aquatic ecology at the University of California, Davis, CA. During 1981–1982, academic experience was also gained as an Adjunct Professor in the Department of Biology, George Mason University, Fairfax, VA, cooperating with the faculty on research and co-teaching a graduate seminar in ecology.

In fall 1988, I taught limnology at North Carolina State University, Raleigh, NC, as a Visiting Associate Professor. I developed an integrative course in basic limnology to prepare students to analyze aquatic ecosystems using principles that had changed greatly during the past 15 years. The offering received excellent ratings from the university's students. A course in peer review and grantsmanship for graduate students, co-taught with Dr. Larry Crowder, was also well received. The grantsmanship course provided information on the structure and function of the evaluation processes for research proposals, as well as an in-depth analysis of research design and proposal development. I continue to lecture on grantsmanship and peer review for graduate seminars at Florida Atlantic University, Boca Raton, FL.

During summer 1990, I taught a field-oriented course on lake ecology, in cooperation with Dr. Craig Spencer, at the University of Montana's Flathead Lake Biological Station. This offering sought to integrate principles of lake ecology through analysis of the natural lakes in northern Montana and the diagnosis of lakes requiring intervention.

In the summers of 2006, 2007 and 2008, I gave a series of guest lectures on the history, ecology, restoration and water management of South Florida for the UNESCO-IHE, Institute for Water Education, Delft, The Netherlands. These lectures were designed to provide these international graduate students essential background on the environmental science of South Florida in preparation for a two-week site visit to the region as part of their Master of Science Programme in Hydroinformatics.

**Scientific Editing:** As Editor for the North American Lake Management Society from 1985 to 1991, my duties included reviewing manuscripts for scientific merit, appropriateness, and fitness for publication; working with authors to improve submissions; and developing a peer-review process for the Society. As Founding Editor for *Lake and Reservoir Management*, I also was responsible for selecting associate editors to handle manuscript review, setting editorial standards to establish the new journal as part of the referred literature on applied ecology, and coordinating the review and publication of the journal with the Society's professional staff. I now provide editorial assistance to the South Florida

Water Management District by reviewing technical reports and publications for soundness and scientific rigor. I also serve as Editor/Project Manager for the annual South Florida Environmental Report, formerly the 2000 - 2004 Everglades Consolidated Reports.

### **Presentations**

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#### **American Society of Limnology and Oceanography**

St. Louis, MO, June 1998, Invited Plenary  
 Reno, NV, June 1995  
 Williamsburg, VA, June 1990  
 Raleigh, NC, June 1982  
 Los Angeles, CA, January 1980  
 Victoria, B.C., June 1978  
 San Francisco, CA, June 1977

#### **Ecological Society of America**

Spokane, WA, 2001  
 St. Louis, MO, June 1998, Invited Plenary  
 Syracuse, NY, August 1986  
 Grand Forks, ND, August 1983  
 State College, PA, August 1982

#### **Societas Internationalis Limnologie**

Munich, West Germany, August 1989  
 Lyon, France, August 1983  
 Kyoto, Japan, August 1980  
 Copenhagen, Denmark, August 1977

#### **Seminars in Research Approaches and Grantsmanship**

Florida Atlantic University, Boca Raton, FL, Graduate seminars on scientific communication and peer review 1998, 2000, 2002, 2004 and 2006  
 North Carolina State University, Raleigh, NC, spring 1989, co-taught graduate seminar with Prof. Larry Crowder  
 University of Scranton, Scranton, PA, September 1986  
 University of Maryland, College Park, MD, March 1986  
 University of Tennessee, Knoxville, TN, June 1985  
 Auburn University, Auburn, AL, December 1984  
 Oregon State University, Corvallis, OR, July 1984  
 University of Maryland, Frostburg, MD, July 1983

### **Invited Presentations**

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- 2007 Everglades Restoration through Integrated Regional Management, 7<sup>th</sup> Annual Water Monitoring Conference, Ames, Iowa
- 2006 Everglades Restoration; A Program of Integrated Regional Management, National Water Quality Monitoring Council, West Palm Beach FL
- 2004 The 2004 Everglades Consolidated Report and the Status of Everglades Restoration, Florida Power and Light, Juno Beach, FL, January 2004
- 2000 Water Quality Monitoring in South Florida: Applications and Challenges for Water Resources Management, with T. Fontaine and N. Iracanian, North American Lake Management Society, Miami, FL, November 2000

- 1999 Science-Management Linkages in Ecosystem Management, South Florida Restoration Science Forum, Boca Raton, FL, May 1999
- 1998 Ecological Research for Aquatic Science and Environmental Restoration in South Florida, Invited Plenary, Joint Meeting of American Society of Limnology and Oceanography and Ecological Society of America, St. Louis, MO
- 1997 Atmospheric Deposition of Phosphorus and Florida Lake Management, annual meeting, Florida Lake Management Society, Ocala, FL, May 1997
- 1996 Technical Review: An Agency Perspective. Governor's Commission on Risk-Based Environmental Assessment, Belle Glade, FL, April 1996
- 1995 Careers in Water Resources Management, American Society of Limnology and Oceanography Special Session on Alternative Careers in Aquatic Science, Reno, NV, June 1995
- 1991 The Role of Science in Lake Management, keynote address, State Association of Lake Managers, University of Wisconsin, Stevens Point, WI, April 1991
- 1989 Limnology of Urban Lakes: Ecosystem Resilience to Insults from Urbanized Watersheds, Zoology Department, North Carolina State University, Raleigh, NC
- 1987 Complex Interactions in Lake Communities: Findings of a Workshop, March 23-27, 1987, Notre Dame, IN, Symposium on Large Lakes, Limnological Institute, University of Konstanz, Konstanz, West Germany, September 1987

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### Personal

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Born: May 8, 1947, Berkeley, CA  
Children: Shelby Suzanne, age 24; Garrett Joseph, age 22  
Hobbies: Water skiing, biking, mechanics, and gardening

**EXHIBIT B**  
**MASTER LEASE PURCHASE AGREEMENT**

This instrument was prepared by:  
Kenneth R. Artin, Esq.  
Bryant Miller Olive, P.A.  
135 West Central Boulevard, Suite 700  
Orlando, Florida 32801

**MASTER LEASE PURCHASE AGREEMENT**

between

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT LEASING CORP.,**  
as Lessor

and

**THE GOVERNING BOARD OF THE SOUTH  
FLORIDA WATER MANAGEMENT DISTRICT,  
acting as the governing body of  
THE SOUTH FLORIDA WATER MANAGEMENT DISTRICT,**  
as Lessee

Dated as of \_\_\_\_\_, 2008

## TABLE OF CONTENTS

ARTICLE I DEFINITIONS AND EXHIBITS .....	3
SECTION 1.1. DEFINITIONS. ....	3
SECTION 1.2. RULES OF CONSTRUCTION.....	14
SECTION 1.3. EXHIBITS. ....	14
ARTICLE II LEASE AND SUBLEASE OF FACILITIES AND FACILITY SITES .....	15
SECTION 2.1. LEASE AND SUBLEASE OF FACILITIES AND FACILITY SITES. ....	15
SECTION 2.2. LEASE TERM.....	15
SECTION 2.3. ACQUISITION OF FACILITIES. ....	15
SECTION 2.4. GOVERNING BOARD'S LIABILITY.....	16
SECTION 2.5. POSSESSION AND ENJOYMENT. ....	16
SECTION 2.6. TRUSTEE ACCESS TO FACILITIES. ....	17
SECTION 2.7. DISCLAIMER OF WARRANTIES. ....	17
SECTION 2.8. WARRANTIES OF THE FACILITIES. ....	17
SECTION 2.9. COMPLIANCE WITH LAW. ....	17
SECTION 2.10. REPRESENTATIONS, COVENANTS AND WARRANTIES OF THE GOVERNING BOARD. ....	18
SECTION 2.11. REPRESENTATIONS, COVENANTS AND WARRANTIES OF CORPORATION.....	19
ARTICLE III LEASE PAYMENTS .....	20
SECTION 3.1. PAYMENT OF LEASE PAYMENTS. ....	20
SECTION 3.2. CREDITS TO LEASE PAYMENTS. ....	22
SECTION 3.3. BASIC LEASE PAYMENT COMPONENTS. ....	22
SECTION 3.4. LEASE PAYMENTS TO BE UNCONDITIONAL.....	22
SECTION 3.5. NON-APPROPRIATION.....	23
SECTION 3.6. SURRENDER OF FACILITIES. ....	24
ARTICLE IV TERMINATION.....	25
SECTION 4.1. TERMINATION OF LEASE TERM. ....	25
SECTION 4.2. EFFECT OF TERMINATION. ....	25
ARTICLE V COVENANTS OF GOVERNING BOARD .....	26
SECTION 5.1. MAINTENANCE OF THE FACILITIES BY THE GOVERNING BOARD. ....	26
SECTION 5.2. TAXES, OTHER GOVERNMENTAL CHARGES AND UTILITY CHARGES. ....	26
SECTION 5.3. PROVISIONS REGARDING INSURANCE. ....	26
SECTION 5.4. DAMAGE, DESTRUCTION OR CONDEMNATION. ....	28
SECTION 5.5. INSUFFICIENCY OF NET PROCEEDS. ....	29
SECTION 5.6. ADVANCES.....	30
SECTION 5.7. RELEASE AND INDEMNIFICATION. ....	30
SECTION 5.8. PAYMENT AND PERFORMANCE BONDS AND OTHER GUARANTY. ....	30
SECTION 5.9. ESSENTIAL GOVERNMENTAL FUNCTIONS. ....	30
SECTION 5.10. TAX EXEMPTION; REBATES.....	30
SECTION 5.11. BUDGET AND TAX LEVY.....	31
SECTION 5.12. COMPLIANCE WITH LAW, REGULATIONS, ETC.....	31
SECTION 5.13. ENVIRONMENTAL COMPLIANCE. ....	33
SECTION 5.14. PROSECUTION AND DEFENSE OF SUITS.....	35
SECTION 5.15. WAIVER OF LAWS. ....	35
ARTICLE VI TITLE.....	35

SECTION 6.1.	TITLE TO FACILITY SITES AND FACILITIES.....	35
SECTION 6.2.	LIENS.....	36
SECTION 6.3.	USE OF THE FACILITIES AND FACILITY SITES.....	37
SECTION 6.4.	SUBSTITUTION OF FACILITIES AND RELEASE OF FACILITY SITES.....	37
ARTICLE VII	ASSIGNMENT, OPTION TO PURCHASE, AND PREPAYMENT.....	39
SECTION 7.1.	ASSIGNMENTS; SUBLEASING.....	39
SECTION 7.2.	PREPAYMENT.....	40
SECTION 7.3.	PREPAYMENT DEPOSIT.....	41
SECTION 7.4.	REFUNDING CERTIFICATES.....	41
ARTICLE VIII	EVENTS OF DEFAULT AND REMEDIES.....	42
SECTION 8.1.	EVENTS OF DEFAULT DEFINED.....	42
SECTION 8.2.	REMEDIES ON DEFAULT.....	43
SECTION 8.3.	NO REMEDY EXCLUSIVE.....	43
ARTICLE IX	MISCELLANEOUS.....	44
SECTION 9.1.	NOTICES.....	44
SECTION 9.2.	BINDING EFFECT.....	44
SECTION 9.3.	SEVERABILITY.....	44
SECTION 9.4.	AMENDMENTS.....	44
SECTION 9.5.	EXECUTION IN COUNTERPARTS.....	45
SECTION 9.6.	CAPTIONS.....	45
SECTION 9.7.	INTEREST.....	45
SECTION 9.8.	COMPLIANCE WITH TRUST AGREEMENT.....	45
SECTION 9.9.	MEMORANDUM OF LEASE.....	45
SECTION 9.10.	APPLICABLE LAW.....	45
SECTION 9.11.	WAIVER OF CHOICE OF REMEDIES.....	45
EXHIBIT A –FORM OF SCHEDULE TO MASTER LEASE PURCHASE AGREEMENT		
EXHIBIT B – GOVERNING BOARD’S CERTIFICATE		

## **MASTER LEASE PURCHASE AGREEMENT**

THIS MASTER LEASE PURCHASE AGREEMENT dated as of \_\_\_\_\_, 2008 (this "Master Lease"), between the South Florida Water Management District Leasing Corp., a not-for-profit corporation organized and existing under and pursuant to Chapter 617, Florida Statutes, as amended, as lessor (the "Corporation"), and the Governing Board, acting as the governing body of the South Florida Water Management District (the "District"), an agency of the State of Florida and a water management district, organized, existing and operating pursuant to the Florida Water Resources Act of 1972, Chapter 373, Florida Statutes, as amended, as lessee (the "Governing Board");

### **WITNESSETH**

**WHEREAS**, the Corporation, pursuant to Chapter 617, Florida Statutes, is a not-for-profit corporation created to purchase, lease, sell or otherwise acquire, hold or dispose of property; and

**WHEREAS**, the Governing Board has the power under Section 373.093, Florida Statutes, to lease or sublease any lands or interest in land, including but not limited to oil and mineral rights, to which the District has acquired title, or to which it may acquire title or leasehold interest, as long as the lease or sublease is consistent with the purposes for which the lands or any interest in land was acquired, in accordance with the provisions of Chapter 373, Florida Statutes (the "Act");and

**WHEREAS**, the Governing Board desires to, from time to time, enter into lease-purchase transactions for certain real property (the "Facility Site"), structures and improvements, including the equipment, fixtures and furnishings (the "Facilities") to be built, installed or established therein, in order to fulfill the aims and purposes of the Act, within the boundaries of the District (which includes all surface and ground water and related land resources within the counties of Broward, Charlotte, Collier, Glades, Hendry, Highlands, Lee, Martin, Miami-Dade, Monroe, Okeechobee, Orange, Osceola, Palm Beach, Polk, and St. Lucie) and may also include Facilities and Facility Sites located outside the boundaries of the District; and

**WHEREAS**, pursuant to a resolution duly adopted by the Governing Board on September 11, 2008, the Governing Board has determined that it is in the best interest of the District for the Governing Board to enter into and execute this Master Lease and, from time to time, certain related documents thereto, for the purpose of lease purchasing certain Facilities from the Corporation, which Facilities are consistent with the provisions of the Act; and

**WHEREAS**, Facilities may be lease-purchased from time to time pursuant to Schedules substantially in the form of Exhibit A hereto (individually, a "Schedule"), each such Schedule upon execution and delivery by the Governing Board and the Corporation, together with the provisions of the Master Lease, to constitute a separate lease agreement (a "Lease"); and

**WHEREAS**, the Governing Board as ground lessor (or ground sub-lessor, as the case may be) and the Corporation as ground lessee may enter into one or more ground leases from time to time with respect to one or more Facility Sites (individually, a "Ground Lease"); and

**WHEREAS**, the ground leasing or subleasing of a Facility Site, the subleasing of a Facility Site back to the Governing Board and the lease-purchase financing or refinancing of the Facilities set forth on a particular Schedule, are herein collectively referred to as a "Project"; and

**WHEREAS**, at the direction of the Governing Board, the Corporation will provide for the payment of the cost of acquiring, constructing and installing Facility Sites and Facilities from time to time by entering into a Master Trust Agreement dated as of \_\_\_\_\_, 2008 (as the same may be amended or supplemented from time to time, the "Trust Agreement") with \_\_\_\_\_, as trustee (the "Trustee") pursuant to which the Corporation shall (a) establish a trust and assign to the Trustee all of said Corporation's right, title and interest in and to this Master Lease and all Schedules hereto, (b) direct the Trustee to execute and deliver to the public from time to time, Series of Certificates of Participation representing undivided proportionate interests in the right to receive the Basic Lease Payments to be made by the Governing Board pursuant to each Lease relating thereto and (c) deposit the proceeds of each Series of Certificates with the Trustee and direct the Trustee to hold the proceeds of the sale of such Certificates in trust subject to application only to pay the costs of acquisition, construction and installation of the Facilities to be financed under the Lease relating thereto and identified on a Schedule and related costs including, without limitation, capitalized interest, accrued interest and costs of issuance and to make lease payments; and

**WHEREAS**, each Certificate of a Series shall represent an undivided proportionate interest in the principal portion of the Basic Lease Payments due and payable under one or more particular Leases relating to such Series on the maturity date or earlier prepayment date of such Certificate and in the interest portion of such Basic Lease Payments due and payable semiannually, to and including such maturity date or earlier prepayment date; and

**WHEREAS**, the relationship between the Corporation and the Governing Board under this Master Lease shall be a continuing one and Facilities may, from, time to time, be added to or deleted from this Master Lease in accordance with the terms hereof and of the schedule describing such Facilities; and

**WHEREAS**, the Governing Board intends for this Master Lease to remain in full force and effect until the last Lease Payment Date for any Project, unless sooner terminated in accordance with the terms provided herein; and

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

**ARTICLE I**  
**DEFINITIONS AND EXHIBITS**

**SECTION 1.1. DEFINITIONS.** The terms set forth in this Section shall have the meanings ascribed to them for all purposes of this Master Lease unless the context clearly indicates some other meaning, or unless otherwise provided in a particular Schedule. Terms used herein and not otherwise defined shall have the meaning given to them in the Trust Agreement.

"Acquisition Account" shall mean any Acquisition Account established pursuant to Section 401 of the Trust Agreement and in any Supplemental Trust Agreement.

"Additional Lease Payment" shall mean any amounts payable by the Governing Board under the terms of this Master Lease other than a Basic Lease Payment or a Supplemental Payment, as set forth in a Schedule to this Master Lease and so designated and shall include Termination Payments in connection with a Hedge Agreement.

"Assignment Agreement" shall mean any assignment agreement pursuant to which the Corporation shall have assigned to the Trustee all of its right, title and interest in and to a Ground Lease and the Lease or Leases created by one or more particular Schedules, including its right to receive Lease Payments under such Lease or Leases.

"Authorized Corporation Representative" shall mean the President of the Corporation and any person or persons designated by the Corporation and authorized to act on behalf of the Corporation by a written certificate delivered to the Trustee signed on behalf of the Corporation by the Chair of the Board of Directors containing the specimen signature of each such person.

"Authorized Governing Board Representative" shall mean the Chair and any person or persons designated by the Chair and authorized to act on behalf of the Governing Board by a written certificate delivered to the Trustee signed on behalf of the Governing Board by the Chair containing the specimen signature of each such person.

"Basic Lease Payment" shall mean, with respect to each Lease, or each Facility financed under such Lease, as of each Lease Payment Date, the amount set forth in a Schedule to this Master Lease corresponding to such Lease Payment Date and designated as a Basic Lease Payment in such Schedule, and including Hedge Obligations due under a Hedge Agreement entered into by the Governing Board in connection with a Series of Certificates.

"Business Day" shall mean a day other than Saturday, Sunday or day on which banks in the State of New York or State of Florida are authorized or required to be closed, or a day on which the New York Stock Exchange is closed.

"Certificate" or "Certificates" shall mean the Certificates of Participation executed and delivered from time to time by the Trustee pursuant to the Trust Agreement and any Supplemental Trust Agreement. Each Series of Certificates issued under the Trust Agreement

and any Supplemental Trust Agreement shall bear a Series designation to identify such Series of Certificates to a particular Schedule to this Master Lease.

"Certificate Holder" or "Holder of Certificates" shall mean a registered owner of any Certificate or Certificates.

"Certificate of Acceptance" shall mean the certificate of the Governing Board substantially in the form of Exhibit B to this Master Lease to be delivered pursuant to the provisions of Section 2.3 hereof.

"Chair" shall mean the Chair of the Governing Board and any person or persons designated by the Governing Board and authorized to act on behalf of the Chair.

"Code" means the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder and under the Internal Revenue Code of 1954.

"Commencement Date" shall mean the date set forth in each Schedule hereto which is the effective date of such Schedule.

"Completion Date" shall mean, with respect to the Facilities described in a particular Schedule, the date specified by the Governing Board in a Certificate of Acceptance as the date of completion of acquisition, construction and installation of such Facilities.

"Continuing Disclosure Certificate" shall mean any Continuing Disclosure Certificate executed and delivered by the Governing Board in connection with the issuance of a Series of Certificates, in order to comply with the requirements of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "Rule").

"Contractor" shall mean the person, firm, corporation or joint venture authorized to do business in Florida with whom a contract has been made directly with the Governing Board for the performance of the work with respect to any Facilities described by the Instructions to Bidders and General Conditions.

"Corporation" shall mean South Florida Water Management District Leasing Corp., a Florida not-for-profit corporation, its successors and assigns.

"Cost" shall mean costs and expenses related to the acquisition, construction and installation of any Facilities including, but not limited to (i) costs and expenses of the acquisition of the title to or other interest in real property, including leasehold interests, easements, rights-of-way and licenses, including, without limitation, lease payments to be made by the Corporation under the terms of a Ground Lease until the expected acceptance of the Facilities related thereto as described herein, (ii) costs and expenses incurred for labor and materials and payments to contractors, builders, materialmen and vendors, for the acquisition, construction and installation of the Facilities, (iii) the cost of surety bonds and insurance of all kinds, including premiums and other charges in connection with obtaining title insurance, that may be

advisable or necessary prior to completion of any of the Facilities which is not paid by a contractor or otherwise provided for, (iv) the costs and expenses for design, test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, and for supervising construction and installation of Facilities, (v) costs and expenses required for the acquisition and installation of equipment or machinery that comprise part of the Facilities, (vi) all costs which the Governing Board shall be required to pay for or in connection with additions to, and expansions of Facilities, (vii) all costs which the Governing Board shall be required to pay to provide improvements, including offsite improvements, necessary for the use and occupancy of Facilities, including roads, walkways, water, sewer, electric, fire alarms and other utilities, (viii) any sums required to reimburse the Governing Board for advances made by it for any of the above items or for other costs incurred and for work done by it in connection with Facilities, (ix) deposits into any Reserve Account established pursuant to Section 401 of the Trust Agreement and any Supplemental Trust Agreement and any recurring amounts payable to a provider of a Reserve Account Letter of Credit/Insurance Policy, (x) fees, expenses and liabilities of the Governing Board, if any, incurred in connection with the acquisition, construction and installation of Facilities, (xi) Costs of Issuance, and (xii) interest during construction.

"Costs of Issuance" shall mean the items of expense incurred in connection with the authorization, sale and delivery of each Series of Certificates, which items of expense shall include, but not be limited to, document printing and reproduction costs, filing and recording fees, costs of credit ratings, initial fees and charges of the Trustee, any Credit Facility Issuer and any provider of a Reserve Account Letter of Credit/Insurance policy, legal fees and charges, professional consultants' fees, fees and charges for execution, delivery, transportation and safekeeping of Certificates, premiums, costs and expenses of refunding Certificates and other costs, charges and fees, including those of the Corporation, in connection with the foregoing.

"Costs of Issuance Subaccount" shall mean a Costs of Issuance Subaccount within an Acquisition Account established pursuant to Section 401 of the Trust Agreement and in any Supplemental Trust Agreement in connection with the issuance of a Series of Certificates.

"Counterparty" shall mean any corporation, partnership, association, joint venture, trust or other entity or organization who enters into a Hedge Agreement with the Governing Board whose senior long-term debt obligations or claims-paying ability, or whose payment obligations, under a Hedge Agreement are guaranteed by an entity whose senior long-term debt obligations or who has provided collateral such that its claims-paying ability is rated (at the time the Hedge Agreement is entered into) at least as high as Aa3 by Moody's, AA- by S&P or AA- by Fitch.

"Credit Facility" shall mean, with respect to a Series of Certificates, the letter of credit, insurance policy, guaranty, surety bond or other irrevocable security device, if any, supporting the obligations of the Governing Board to make Basic Lease Payments relating to such Series of Certificates.

"Credit Facility Issuer" shall mean, with respect to a Series of Certificates, the issuer of the Credit Facility, if any, for such Series of Certificates.

"District" shall mean the South Florida Water Management District, an agency of the State of Florida and a water management district, which is organized, exists and operates pursuant to the Act.

"Event of Extraordinary Prepayment" shall mean one or more of events so designated in Section 7.2 hereof.

"Excess Earnings" shall mean, with respect to each Series of Certificates, the amount by which the earnings on the Gross Proceeds of such Certificates exceeds the amount which would have been earned thereon if such Gross Proceeds were invested at a yield equal to the yield on the interest portion of the Basic Lease Payments represented by such Certificates, as such yield is determined in accordance with the Code and amounts earned on the investment of earnings on the Gross Proceeds of such Certificates.

"Facility" or "Facilities" shall mean a Project to be acquired and/or constructed from the proceeds of a Series of Certificates, and consisting of real property, if any, structures, fixtures, equipment and improvements, and additions, extensions, alterations or replacements which are to be built, installed or established on such real property, if any, structures, fixtures, equipment or improvements, and all appurtenances thereto and interests therein, all as set forth on a Schedule or Schedules from time to time.

"Facility Site" shall mean the real property (together with all structures, fixtures and improvements erected or situated thereon, any easements or other rights or privileges in adjoining property inuring to the fee simple owner of such land by reason of ownership of such land, and all fixtures, additions, alterations or replacements located on, or used in connection with, or attached or made to, such land) either (i) owned by the Governing Board at the time of the issuance of a Series of Certificates to finance Facilities relating thereto, (ii) to be acquired by the Governing Board with the proceeds of such Series of Certificates, upon which a Facility is to be located within the District and more particularly described in a Ground Lease, or (iii) owned by or co-owned with another governmental entity.

"Fiscal Year" shall mean the twelve month fiscal period of the Governing Board which under current law commences on October 1 in every year and ends on September 30 of the succeeding year.

"Governing Board" shall mean The Governing Board of the South Florida Water Management District, a body corporate and the governing body of the District.

"Government Obligations" shall mean any obligations which as to both principal and interest constitute non-callable direct obligations of, or non-callable obligations fully and unconditionally guaranteed by, the full faith and credit of the United States of America, including bonds or other evidences of indebtedness issued or guaranteed by any agency or

corporation which has been or may hereafter be created pursuant to an Act of Congress as an agency or instrumentality of the United States of America to the extent unconditionally guaranteed by the full faith and credit of the United States of America.

"Gross Proceeds" shall mean, with respect to each Series of Certificates, unless inconsistent with the provisions of the Code, in which case as provided in the Code, (i) amounts received by or on behalf of the Corporation from the sale of such Certificates; (ii) amounts received as a result of investments of amounts described in (i); (iii) amounts treated as transferred proceeds of such Certificates in accordance with the Code; (iv) amounts treated as proceeds under the provisions of the Code relating to invested sinking funds; (v) securities or obligations pledged, if any, as security for payment of Basic Lease Payments under the Master Lease; (vi) amounts received with respect to obligations acquired with Gross Proceeds; (viii) amounts used to pay the principal and interest portions of Basic Lease Payments represented by such Certificates; (vii) amounts in any Reserve Account established pursuant to the Trust Agreement and a Supplemental Trust Agreement; and (ix) amounts received as a result of the investment of Gross Proceeds not described in (i) above.

"Ground Lease" shall mean one or more ground leases or sub- ground leases, between the Governing Board and the Corporation, as amended and supplemented from time to time, pursuant to which the Governing Board shall ground lease one or more Facility Sites to the Corporation.

"Hedge Agreement" shall mean an interest rate exchange agreement, an interest rate swap agreement, a forward purchase contract, a put option contract, a call option contract or another financial product which is used by the Governing Board as a hedging device with respect to its obligation to pay the interest portion of Basic Lease Payments, represented by Series of Certificates, entered into between the Governing Board and a Counterparty.

"Hedge Obligations" shall mean net payments, excluding non-periodic Termination Payments or similar fees or penalties, required to be made by the Governing Board under a Hedge Agreement from time to time as a result of fluctuation in hedged interest rates, or fluctuation in the value of any index of payment.

"Hedge Receipts" shall mean net payments received by the Governing Board from a Counterparty under a Hedge Agreement.

"Instructions to Bidders and the General Conditions" shall mean the Instructions to Bidders and the General Conditions of the Governing Board as in effect from time to time.

"Insurance Consultant" shall mean a nationally recognized independent insurance company or broker, selected by the Governing Board, that has actuarial personnel experienced in the area of insurance for which the Governing Board is to be self- insured.

"Investment Securities" except as otherwise provided in a Supplemental Trust Agreement, shall mean any of the following Securities, if and to the extent the same are at the time legal under State law for investment of the Governing Board's funds:

(a) Cash (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in paragraph (b) below).

(b) Direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America.

(c) Obligations of any of the following federal agencies which obligations represent full faith and credit of the United States of America, including:

- Export-Import Bank
  - Farm Credit System Financial Assistance Corporation
  - Farmers Home Administration
  - General Services Administration - U.S. Maritime Administration
  - Small Business Administration
  - Government National Mortgage Association (GNMA)
  - U.S. Department of Housing & Urban Development (PHA's)
- Federal Housing Administration  
Federal National Mortgage Association  
Federal Home Loan Bank  
Federal Home Loan Mortgage Corporation  
Student Loan Marketing Association

(d) Senior debt obligations rated in the highest rating category by either S&P, Moody's or Fitch issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, and other senior debt obligations of other government-sponsored agencies approved by the Credit Facility Issuer insuring the Series of Certificates relating to the moneys invested.

(e) U.S. dollar denominated deposit accounts, federal (funds and banker's acceptances with domestic commercial banks (including the Trustee and any of its affiliates) which have a rating on their short-term certificates of deposit on the date of purchase of "A-1" or "A-1+" by Standard & Poor's Ratings Services and "P-1" by Moody's Investors Service, Inc. and maturing no more than 360 days after the date of purchase.

(f) Commercial paper which at the time of purchase is rated in the highest rating category by either S&P, Moody's or Fitch.

(g) Investments in a money market fund rated "AAAm" or "AAM-G" or better by Standard & Poor's Ratings Services.

(h) Direct and general obligations of any state of the United States, to the payment of the principal of and interest on which the full faith and credit of such state is pledged, if at the time of their purchase such obligations are rated in either of the two highest rating categories by either S&P, Moody's or Fitch.

(i) Unsecured investment agreements from banks, registered broker/dealers, or other financial institutions, who have a long term debt ratings, or whose parent has a long term debt rating, without regard to qualifier, in the two highest rating categories by a major rating service provided however that in the event the provider of the agreement is downgraded to below the "A" category by all the rating services, the provider must within 14 business days from the downgrade either; collateralize the agreement as outlined in (j), obtain a guaranty from a financial institution whose rating is at least "A" by a major rating agency, and assign the agreement to a financial institution whose rating is at least "A" by a major agency.

(j) Collateralized investment agreements (including repurchase agreements), provided by registered broker/dealer, subject to SIPC, collateralized by obligations described in (c) and (h) such that value of the collateral pledged in not less than 102% of the principal balance, marked to market not less frequently than weekly. Collateral must be held by an independent third party custodian.

(k) Obligations or funds permitted under the Laws of the State for investing by the Governing Board in trust with the State Board of Administration pursuant to Chapter 215, Florida Statutes.

(l) Forward purchase agreements by a financial institution who have a long term debt rating, or whose parent has a long term debt rating, of not less than A by a major rating agency. Securities eligible for delivery under the agreement will include those described in (c), (f), (h) and (j). Any forward purchase agreement must be accompanied by a bankruptcy opinion that the securities delivered will not be considered a part of the bankruptcy estate in the event of a declaration of bankruptcy or insolvency by the provider.

(m) Any other investment agreed to in writing by the Credit Facility Issuer insuring the Series of Certificates relating to the moneys invested.

"Lease" shall mean, collectively, this Master Lease and, individually, each separate Schedule to the Master Lease executed and delivered by the Governing Board and the Corporation.

"Lease Payment Account" shall mean any Lease Payment Account established pursuant to Section 401 of the Trust Agreement and in any Supplemental Trust Agreement.

"Lease Payment Date" shall mean, with respect to a Lease, each date set forth on the corresponding Schedule designated as a Lease Payment Date for such Lease.

"Lease Payments" shall mean, with respect to each Lease, all amounts payable by the Governing Board pursuant to the terms of a Lease, including Basic Lease Payments, Additional Lease Payments and Supplemental Payments.

"Lease Term" shall mean, with respect to each Lease, the period from the date of the Lease through the end of the then current Fiscal Year, plus each annual or lesser renewal period thereafter during which such Lease is maintained in effect in accordance therewith, with the maximum number of renewals being specified in the Schedule corresponding to such Lease.

"Master Lease" shall mean this Master Lease Purchase Agreement dated as of \_\_\_\_\_, 2008, between the Corporation and the Governing Board and any and all modifications, alterations, amendments and supplements hereto.

"Net Proceeds" shall mean, with respect to one or more Facilities financed under a Lease, proceeds from any insurance, condemnation, performance bond, Federal or State flood disaster assistance, or any other financial guaranty (other than a Credit Facility Issuer) paid with respect to such Facilities remaining after payment therefrom of all expenses, including attorneys' fees, incurred in the collection thereof; and, with respect to insurance, to the extent that the Governing Board elects to self-insure under Section 5.3 hereof, any moneys payable from any appropriation made by the Governing Board in connection with such self-insurance.

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

"Outstanding" when used with reference to the Certificates, shall mean, as of any date, Certificates theretofore or thereupon being authenticated and delivered under the Trust Agreement except:

(i) Certificates canceled by, or duly surrendered for cancellation to, the Trustee at or prior to such date;

(ii) Certificates (or portions of Certificates) for the payment or prepayment of which moneys, equal to the principal portion or Prepayment Price thereof, as the case may be, with interest to the date of maturity or Prepayment Date, shall be held in trust under the Trust Agreement and set aside for such payment or prepayment, (whether at or prior to the maturity or Prepayment Date), provided that if such Certificates (or portions of Certificates) are to be prepaid, notice of such prepayment shall have been given as provided in Article III of the Trust Agreement;

(iii) Certificates in lieu of or in substitution for which other Certificates shall have been executed and delivered pursuant to Article III of the Trust Agreement; and

(iv) Certificates deemed to have been paid as provided in subsection (b) of Section 801 of the Trust Agreement.

"Payment Date" shall mean a date on which the principal portion or the interest portion of Basic Lease Payments is payable to Certificate Holders pursuant to the terms of such Certificates.

"Permitted Encumbrances" shall mean in regard to a Facility Site:

(i) the Lease relating thereto and any liens and encumbrances created or permitted thereby;

(ii) the Assignment Agreement relating thereto and any liens and encumbrances created or permitted thereby;

(iii) the Trust Agreement and liens and encumbrances created or permitted thereby;

(iv) any Ground Lease applicable thereto and any liens and encumbrances created or permitted thereby;

(v) subject to the provisions of Section 6.2 of the Master Lease, any mechanic's, laborer's, materialmen's, supplier's or vendor's lien or right in respect thereof if payment is not yet due under the contract in question or if such lien is being contested in accordance with the provisions of the Master Lease.

(vi) (a) rights reserved to or vested in any municipality or public authority by the terms of any right, power, franchise, grant, license, permit or provision of law; (b) any liens for taxes, assessments, levies, fees, water and sewer rents or charges and other government and similar charges, which are not due and payable or which are not delinquent or the amount or validity of which are being contested and execution thereon is stayed; (c) easements, rights-of-way, servitudes, restrictions, oil, gas or other mineral reservations and other minor defects, encumbrances and irregularities in the title to any property which, in the opinion of the Governing Board, do not materially impair the use of such property or materially and adversely affect the value thereof; (d) rights reserved to or vested in any municipality or public authority to control or regulate any property or to use such property in any manner that do not in the Opinion of Counsel, materially affect the use of the Facility Site or the benefits enjoyed by any Permitted Transferee in the Facility Site under the Ground Lease, the Assignment Agreement and the Trust Agreement; and (e) land use restrictions set forth in grant agreements entered into by the District and governmental agencies of the United States; and

(vii) any other liens or encumbrances permitted by the Schedule relating to such Facility Site, provided such lien or encumbrance shall not, as expressed in an Opinion of Counsel, materially adversely affect the intended use of such Facility Site by

the Governing Board for purposes of the Acceler8 Project or the benefits enjoyed by any Permitted Transferee in the Facility Site under the Ground Lease, the Assignment Agreement and the Trust Agreement, and such liens and encumbrances are approved by any Credit Facility Issuer for the Series of Certificates relating to such Facility Site.

"Prepayment Account" shall mean any Prepayment Account established pursuant to Section 401 of the Trust Agreement and in any Supplemental Trust Agreement.

"Prepayment Date" shall mean the date on which optional prepayment, extraordinary prepayment or mandatory sinking fund prepayment of Basic Lease Payments represented by a Series of Certificates Outstanding shall be made pursuant to the Trust Agreement and any Supplemental Trust Agreement.

"Prepayment Price" shall mean, with respect to any Certificate, the principal amount thereof together with the premium, if any, applicable upon an optional prepayment, payable upon prepayment thereof pursuant to such Certificate and the Trust Agreement or any Supplemental Trust Agreement, together with accrued interest represented by such Certificate to the Prepayment Date.

"Project" shall mean the lease-purchase financing and construction or refinancing of the Facility Sites and/or Facilities set forth on a particular Schedule and, if all or a portion of such Facilities shall be comprised of real property, the ground leasing of the related Facility Site by the Governing Board to the Corporation and the subleasing of such Facility Site back to the Governing Board.

"Project Fund" shall mean the trust fund designated as the "Project Fund" created and established in Section 401 of the Trust Agreement.

"Purchase Option Price" shall mean, with respect to any Facility financed under a Lease, as of each Lease Payment Date, the Basic Lease Payment then due plus the amount so designated and set forth on the Schedule for such Facility as the remaining principal portion of the Purchase Option Price, minus any credits pursuant to the provisions of Section 3.2 hereof, plus, an amount equal to the interest to accrue with respect to the Certificates to be prepaid as a result of the release of such Facility from the Lease, from such Lease Payment Date to the next available date for prepaying such Certificates unless such prepayment shall occur on such Lease Payment Date, plus an amount equal to a pro rata portion of any Lease Payments and Supplemental Payments then due and owing under the Lease relating to such Facility, including any prepayment premiums payable on the Certificates prepaid.

"Qualified Financial Institution" shall mean a bank, trust company, national banking association or a corporation subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or the Federal National Mortgage Association or any insurance company or other corporation (i) whose unsecured obligations or uncollateralized long-term debt obligations have been assigned a rating by a Rating Agency which is not lower than AA/Aa, or which has issued a letter of credit, contract,

agreement or surety bond in support of debt obligations which have been so rated; or (ii) which collateralizes its obligations at all times at levels in compliance with the requirements of the Rating Agencies for ratings not lower than AA/Aa.

"Rating Agency" shall mean each of Standard & Poor's Ratings Services ("S&P"), Moody's Investors Service, Inc. ("Moody's"), Fitch Ratings ("Fitch") and any other nationally recognized rating service acceptable to the Credit Facility Issuer insuring the related series of Certificates which shall have provided a rating on any Outstanding Certificates.

"Reimbursement Agreement" shall mean, with respect to each Lease, any reimbursement agreement among the Corporation, the Governing Board and any Credit Facility Issuer.

"Reserve Account" shall mean any Reserve Account established pursuant to Section 405 of the Trust Agreement and in any Supplemental Trust Agreement.

"Reserve Account Letter of Credit/Insurance Policy" shall mean any irrevocable letter or line of credit, insurance policy, surety bond or guarantee agreement issued by a Qualified Financial Institution in favor of the Trustee which is to be deposited into a Reserve Account in order to fulfill the Reserve Account Requirement relating thereto.

"Reserve Account Requirement" shall mean, in regard to a Reserve Account to secure a Series of Certificates, such amounts, if any, as shall be provided in the Supplemental Trust Agreement authorizing the issuance of such Series and in the Schedule relating thereto, provided such Reserve Account Requirement shall not exceed the least of (i) the maximum annual amount of Basic Lease Payments represented by Certificates of the Series secured by such Reserve Account in the current or any subsequent Fiscal Year, (ii) 125% of the average annual amount of Basic Lease Payments represented by Certificates of the Series secured by such Reserve Account in the current or any subsequent Fiscal Years, and (iii) 10% of the stated principal amount (or issue price net of accrued interest if the issue has more than a de minimis part of original issue discount or premium) of such Series of Certificates.

"Schedule" shall mean a schedule, as amended and supplemented from time to time, to this Master Lease to be executed and delivered by the Governing Board and the Corporation for each Project, substantially in the form of Exhibit A hereto.

"Series" or "Series of Certificates" shall mean the aggregate amount of each Series of Certificates evidencing an undivided proportionate interest of the owners thereof in a particular Lease and the Basic Lease Payments thereunder, issued pursuant to the Trust Agreement or a Supplemental Trust Agreement.

"Special Tax Counsel" shall mean Bryant Miller Olive P.A., Orlando, Florida, or any other attorney at law or firm of attorneys, of nationally recognized standing in matters pertaining to the exclusion from gross income for federal income tax purposes of the interest on obligations issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States of America.

"State" shall mean the State of Florida.

"Supplemental Payments" shall mean all amounts due under a Lease other than Basic Lease Payments and Additional Lease Payments.

"Supplemental Trust Agreement" shall mean any agreement supplemental or amendatory of the Trust Agreement.

"Taxable Certificates" means Certificates for which the Interest Component of the Basic Lease Payments relating thereto shall be includable in gross income for purposes of federal income taxation.

"Termination Payments" shall mean all non-periodic payments or penalties or fees in connection with a Hedge Agreement and shall not include Hedge Obligations.

"Trust Agreement" shall mean the Master Trust Agreement dated as of \_\_\_\_\_, 2008 entered into by and between the Corporation and the Trustee, and any Supplemental Trust Agreement.

"Trustee" shall mean \_\_\_\_\_ and its successors or assigns which may at any time be substituted in its place pursuant to the provisions of the Trust Agreement.

**SECTION 1.2. RULES OF CONSTRUCTION.** Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies as well as natural persons.

The terms "hereby", "hereof", "hereto", "herein", "hereunder", and any similar terms, as used in this Master Lease, refer to this Master Lease.

**SECTION 1.3. EXHIBITS.** The following Exhibits are attached hereto and by this reference made a part of this Master Lease:

Exhibit A. FORM OF SCHEDULE TO MASTER LEASE PURCHASE AGREEMENT

Exhibit B. GOVERNING BOARD'S CERTIFICATE

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**ARTICLE II**  
**LEASE AND SUBLEASE OF FACILITIES AND FACILITY SITES**

**SECTION 2.1. LEASE AND SUBLEASE OF FACILITIES AND FACILITY SITES.**

The Corporation hereby agrees to demise, lease and sublease to the Governing Board, and the Governing Board hereby agrees to hire, take, lease and sublease from the Corporation, the right, title and interest of the Corporation in and to the Facilities and Facility Sites, listed on each Schedule hereto, on the terms and conditions set forth in this Master Lease and the Schedule. For purposes of each Lease, all materials and services in respect of which amounts are paid by the Trustee for the acquisition, construction and installation of a Facility (including monies disbursed for Costs of Issuance) shall be deemed accepted by the Governing Board hereunder upon execution of a requisition by the Governing Board directing payment therefor under Section 402 of the Trust Agreement. The Governing Board hereby agrees that it has received valuable consideration for the portion of Basic Lease Payments representing Costs of Issuance and will pay Lease Payments with respect to same, subject to the provisions hereof.

**SECTION 2.2. LEASE TERM.** Effective as of the Commencement Date described in the Schedule relating to each Project each Lease shall be for the Lease Term as set forth in the related Schedule through the last date set forth on any Schedule hereto unless sooner terminated in accordance with the provisions hereof, including in particular Sections 3.5 and 4.1 hereof. Upon expiration or termination of the Lease Term, other than pursuant to Section 4.1(b) or (c) hereof, the Trustee, the Governing Board and the Corporation, at the expense of the Governing Board, shall execute and deliver such documents, if any, as shall be necessary to evidence such termination. The expected useful life of the Facilities shall extend beyond the last date set forth on the particular Schedule relating to such Facilities.

**SECTION 2.3. ACQUISITION OF FACILITIES.** The Governing Board shall be responsible for acquisition, construction and installation of the Facilities, as agent for the Corporation, pursuant to the specifications of the Governing Board, including the letting of all contracts for the acquisition, construction and installation of the Facilities and for supervising the acquisition, construction and installation of the Facilities.

Contracts in connection with the acquisition, construction and installation of the Facilities shall be let in accordance with the competitive bidding policies of the Governing Board, and regulations promulgated by the District and State law, and in accordance with the Instructions to Bidders and General Conditions.

Moneys deposited in the Acquisition Account established with respect to particular Facilities shall be disbursed from time to time to pay the Costs of such Facilities, all as provided in Section 402 of the Trust Agreement and the applicable provisions of a Supplemental Trust Agreement. The Governing Board agrees that it will deliver to the Trustee completed requisitions in the form attached to the Trust Agreement as Exhibit B, and upon completion of acquisition, construction and installation of the Facilities, the Governing Board will deliver a Certificate of Acceptance in the form attached hereto as Exhibit B in order for the Trustee to

make the final advances therefor in accordance with the provisions of the Trust Agreement. The Governing Board further agrees to deliver the items described in Section 402 of the Trust Agreement with respect to the acquisition of each portion of a Facility constituting land or an interest therein, to be financed hereunder.

The Governing Board shall be responsible for, and shall use its best efforts to effect the completion of acquisition, construction and installation of the Facilities, whether or not amounts in the Acquisition Account relating to such Facilities are sufficient to pay the Costs thereof. If moneys are improperly drawn from the Acquisition Account, the Governing Board upon proper notification thereof shall deposit an amount sufficient to restore the balance therein with the Trustee, no later than thirty (30) days following receipt of such notification.

Upon determination by the Governing Board prior to delivery of a Certificate of Acceptance that amounts on deposit in the Acquisition Account for particular Facilities will exceed the actual costs of such Facilities, the Governing Board may amend the related Lease and Ground Lease for the purpose of financing additional Facilities or portions of Facilities from such funds on deposit in such Acquisition Account.

The Governing Board may determine not to acquire, construct or install one or more of the Facilities relating to a particular Lease, or may determine to substitute one or more of the Facilities relating to a particular Lease for other approved Facilities. Upon determination by the Governing Board not to acquire, construct or install one or more of the Facilities relating to a particular Lease, or to substitute one or more of the Facilities relating to a particular Lease, the Governing Board may amend the related Lease and Ground Lease for the purpose of deleting or substituting such Facilities.

**SECTION 2.4. GOVERNING BOARD'S LIABILITY.** As between the Corporation and the Governing Board, the Governing Board assumes liability for all risks of loss with respect to the Facilities. The Governing Board shall maintain in force during the entire acquisition, construction and installation period of any Facilities, property damage insurance as required by Section 5.3 hereof and (for the benefit of Certificate Holders), as assignee of the Corporation, the Trustee shall be named as an additional insured and loss payee thereon. In the event the Governing Board or Corporation receives any damages or other moneys from any contractor, manufacturer or supplier of any portion of the Facilities or its surety pursuant to this Section 2.4 or Section 5.3, such moneys shall be paid to the Trustee for disposition in accordance with Section 5.4 hereof.

**SECTION 2.5. POSSESSION AND ENJOYMENT.** From and after the acceptance by the Governing Board of any Facilities in accordance with the terms of this Master Lease, the Corporation agrees that it will not interfere with the quiet use and enjoyment of the Facilities by the Governing Board during the Lease Term of each Lease relating to such Facilities and that the Governing Board shall during such Lease Term peaceably and quietly have and hold and enjoy such Facilities, without hindrance or molestation from the Corporation, except as expressly set forth herein. At the request of the Governing Board and at the Governing Board's cost, the

Corporation shall join in any legal action in which the Governing Board asserts its right to such possession and enjoyment to the extent the Corporation lawfully may do so. Upon expiration or termination of the Lease Term other than as a result of non-appropriation or default, the Governing Board shall enjoy full right, title and interest in and to the Facilities, unless the Facilities are otherwise disposed of in accordance with the terms of this Master Lease.

**SECTION 2.6. TRUSTEE ACCESS TO FACILITIES.** During the Lease Term of each Lease the Governing Board agrees that the Trustee, as assignee of the Corporation or its agents, shall have the right during the Governing Board's normal working hours on the Governing Board's normal working days to examine and inspect the Facilities for the purpose of assuring that the Facilities are being properly maintained, preserved, and kept in good repair and condition.

**SECTION 2.7. DISCLAIMER OF WARRANTIES.** The Governing Board acknowledges that each of the Corporation, the Trustee, the Certificate Holders, any Credit Facility Issuer and any issuer of a Reserve Account Letter of Credit/Insurance Policy MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE TITLE TO, VALUE, DESIGN, CONDITION, HABITABILITY, MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF ANY FACILITIES OR ANY PORTION THEREOF, OR AS TO THE QUALITY OR CAPACITY OF THE MATERIAL OR WORKMANSHIP IN SUCH FACILITIES OR ANY WARRANTY THAT SUCH FACILITIES WILL SATISFY THE REQUIREMENTS OF ANY LAW, RULE, SPECIFICATIONS OR CONTRACT WHICH PROVIDES FOR SPECIFIC MACHINERY, OPERATIONS OR SPECIAL METHODS OR ANY OTHER WARRANTY OF ANY KIND WHATSOEVER. In no event shall the Corporation, the Trustee, the Certificate Holders, any Credit Facility Issuer or any issuer of a Reserve Account Letter of Credit/Insurance Policy be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this Master Lease or the existence, furnishing, functioning or Governing Board's use of the Facilities, or any item, product or service provided for in this Master Lease or any Schedule hereto.

**SECTION 2.8. WARRANTIES OF THE FACILITIES.** The Corporation hereby appoints the Governing Board its agent and attorney-in-fact during the Lease Term of each Lease to assert from time to time whatever claims and rights, including warranties of the Facilities, which the Corporation or the Governing Board may have against the contractor, manufacturer or supplier of any Facilities or portion thereof.

**SECTION 2.9. COMPLIANCE WITH LAW.** The Governing Board and the Corporation each represents, warrants and covenants that it has complied and will comply throughout the Lease Term of each Lease with the requirements of Section 286.011, as well as Chapter 119, Florida Statutes relating to public access to its records and the openness of its meetings to the public.

**SECTION 2.10. REPRESENTATIONS, COVENANTS AND WARRANTIES OF THE GOVERNING BOARD.** The Governing Board represents, covenants and warrants as follows:

(a) The Governing Board is the governing body of the District, an agency of the State of Florida and a water management district created by the Florida Water Resources Act of 1972, Chapter 373, Florida Statutes, has power to enter into this Master Lease and each Schedule hereto and has duly authorized and taken the necessary acts required prior to (including all required approvals) the execution and delivery of this Master Lease and any Schedule executed or to be executed hereunder. The Governing Board warrants that this Master Lease, upon the execution and delivery hereof, is a valid, legal and binding limited obligation of the Governing Board, payable from current or other funds authorized by law and appropriated for such purpose as provided in Section 3.1 hereof.

(b) Neither the execution and delivery of this Master Lease nor of any Schedule, nor the consummation of the transactions contemplated hereby and thereby, nor the fulfillment of or compliance with the terms and conditions hereof and thereof conflicts with or results in a breach of the terms, conditions, or provisions of any restriction or any agreement or instrument to which the Governing Board is now a party or by which the Governing Board is bound or constitutes a default under any of the foregoing, nor conflicts with or results in a violation of any provision of law governing the Governing Board and no representation, covenant and warranty herein is false, misleading or erroneous in any material respect.

(c) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, known to be pending or threatened against or affecting the Governing Board nor to the best of the knowledge of the Governing Board is there any basis therefor, wherein an unfavorable decision, ruling, or finding would materially and adversely affect the transactions contemplated by the Governing Board or which would adversely affect, in any way, the validity or enforceability of this Master Lease or of any Schedule, or any material agreement or instrument to which the Governing Board is a party, used or contemplated for use in the consummation of the transactions contemplated hereby.

(d) The estimated Cost of the Facilities shall not be less than the amount set forth on each Schedule relating to such Facilities (as such Schedule may be amended prior to the delivery by the Governing Board of a Certificate of Acceptance). The Facilities will be designed and constructed so as to comply with all applicable building and zoning ordinances and regulations, if any, and any and all applicable judicial and state standards and requirements relating to the Facilities and Facility Sites.

(e) The moneys in each Acquisition Account and any investment earnings thereon will be used only for payment of Cost of the Facilities and Facility Sites, including payment of Basic Lease Payments.

(f) The Governing Board shall have fee simple title or a valid leasehold interest to all Facility Sites, subject only to Permitted Encumbrances, prior to entering into any Ground Lease with respect to such Facility Sites or amending any Ground Lease to add Facility Sites.

(g) In its use of the Facilities and Facility Sites, the Governing Board shall comply with all applicable Federal, State and local governmental laws, regulations, ordinances, rules, orders, standards and codes and with all hazard insurance underwriters' standards applicable to the Facilities and Facility Sites.

(h) Adequate water, sanitary sewer and storm sewer utilities, electric power, telephone and other utilities are available to the Facilities and Facility Sites if required for the related Project.

(i) The Governing Board intends, and will intend upon execution and delivery of each Schedule that this Master Lease shall remain in full force and effect until the last Lease Payment Date for any Facility hereunder.

(j) The Governing Board shall comply with all continuing disclosure requirements under the Rule which may be applicable to it from time to time.

(k) To the extent required by law, each of the Facilities set forth on a Schedule will have been approved for lease purchase by the Governing Board.

**SECTION 2.11. REPRESENTATIONS, COVENANTS AND WARRANTIES OF CORPORATION.** The Corporation represents, covenants and warrants as follows:

(a) The Corporation is a Florida not-for-profit corporation duly created, existing and in good standing under the laws of the State, is duly qualified to do business in the State, has all necessary power to enter into this Master Lease and each Schedule hereto, is possessed of full power to own, lease and hold real and personal property and to lease and sell the same as lessor, and has duly authorized the execution and delivery of this Master Lease and this Master Lease, upon execution and delivery hereof, is a valid, legal and binding non-recourse obligation of the Corporation.

(b) Neither the execution and delivery hereof nor of any Schedule hereto, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions and provisions of any restriction or any agreement or instrument to which the Corporation is now a party or by which the Corporation is bound, or constitutes a default under any of the foregoing.

(c) To the knowledge of the Corporation, there is no litigation or proceeding pending or threatened against the Corporation or any other person affecting the right of the Corporation to execute or deliver this Master Lease or of any Schedule hereto or to comply with its obligations under this Master Lease or of any Schedule hereto. Neither the execution and

delivery of this Master Lease by the Corporation, nor compliance by the Corporation with its obligations under this Master Lease, require the approval of any regulatory body, any parent company, or any other entity, which approval has not been obtained.

### **ARTICLE III LEASE PAYMENTS**

**SECTION 3.1. PAYMENT OF LEASE PAYMENTS.** Subject to the conditions stated herein, the Governing Board agrees to pay the Basic Lease Payments stated on each particular Schedule hereto and agrees to pay and discharge Additional Lease Payments, including all other amounts, liabilities and obligations which the Governing Board assumes or agrees to pay to the Corporation or to others as provided herein and on each Schedule hereto, together with interest on any overdue amount, PROVIDED HOWEVER, THAT NEITHER THE GOVERNING BOARD, THE DISTRICT, THE STATE OF FLORIDA, NOR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF, SHALL BE OBLIGATED TO PAY, EXCEPT FROM GOVERNING BOARD APPROPRIATED FUNDS, ANY SUMS DUE HEREUNDER FROM ANY SOURCE OF TAXATION AND THE FULL FAITH AND CREDIT OF THE GOVERNING BOARD AND THE DISTRICT IS NOT PLEDGED FOR PAYMENT OF SUCH SUMS DUE HEREUNDER AND SUCH SUMS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE GOVERNING BOARD, THE DISTRICT, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. NEITHER THE CORPORATION, THE TRUSTEE, NOR ANY CERTIFICATE HOLDER MAY COMPEL THE LEVY OF ANY AD VALOREM TAXES BY THE GOVERNING BOARD TO PAY THE LEASE PAYMENTS HEREUNDER. All Basic Lease Payments, Additional Lease Payments and all Supplemental Payments due hereunder and under any Schedule hereto shall be made from current or other funds authorized by law and appropriated for such purpose by the Governing Board.

THE GOVERNING BOARD MAY NOT BUDGET AND APPROPRIATE FUNDS TO MAKE LEASE PAYMENTS SELECTIVELY ON A LEASE BY LEASE BASIS, BUT MUST APPROPRIATE FUNDS FOR ALL LEASES OR NONE OF THEM.

On each Lease Payment Date, the Governing Board shall pay to the Trustee, in lawful money of the United States of America, the Basic Lease Payments for such Lease Payment Date, less any credits as contemplated by Section 3.2 hereof, and less any reductions as contemplated by Section 4.2 hereof. The Governing Board agrees to deposit such amounts with the Trustee on each Lease Payment Date in order to assure that sufficient moneys will be available to the Trustee to make timely distribution thereof to the Certificate Holders, or to reimburse any Credit Facility Issuer as provided in the following paragraph, all in accordance with the Trust Agreement. In the event that the Trustee has not received such Basic Lease Payments on such Lease Payment Date, the Trustee shall notify the Governing Board on the Business Day following the day payment was due that such Basic Lease Payments have not been received; provided, however, that such notice is for the purpose of convenience only and the Governing Board's obligation to make such payments shall in no way be conditioned by the giving or

receipt of such notice. Once established under the initial Schedule, Lease Payment Dates shall be the same under all future Lease Schedules.

The Governing Board shall also pay, when due, directly to the party entitled thereto, Additional Lease Payments and Supplemental Payments in accordance with the terms of this Master Lease and each Schedule hereto and the Trust Agreement. Additional Lease Payments for each separate Lease entered into under this Master Lease include, without limitation, optional prepayment premiums, Trustee fees and expenses, Corporation expenses, Credit Facility Issuer fees and expenses, any payments made pursuant to the provisions of a Hedge Agreement relating to the Basic Lease Payments, if any, and all other amounts due the Trustee under the Trust Agreement or this Master Lease and a Credit Facility Issuer under any Reimbursement Agreement, all as set forth on a particular Schedule hereto. Supplemental Payments for each separate Lease hereunder include, without limitation, amounts required to be paid under Sections 5.1, 5.2, 5.6, 5.10 and 6.2 hereof, and amounts necessary to restore the balance in the Reserve Account for a particular Series of Certificates to the Reserve Account Requirement for such Series as provided in Section 405(b) of the Trust Agreement, or recurring amounts payable to the issuer or provider of a Reserve Account Letter of Credit/Insurance Policy.

The Governing Board hereby authorizes the Trustee, as assignee of the Corporation, (i) to create a Reserve Account to be held by the Trustee under the Trust Agreement for each Series of Certificates unless otherwise provided by the Schedule relating thereto, (ii) to deposit in each Reserve Account a portion of the proceeds from the sale of the Series of Certificates relating thereto, or in lieu thereof, or in substitution for the full amounts then on deposit therein or in an amount equal to the difference between the amount required to be deposited and the sum, if any, on deposit in a Reserve Account, to provide a Reserve Account Letter of Credit/Insurance Policy equal to the Reserve Account Requirement relating to such Series, or combination of a portion of the proceeds from the sale of a Series of Certificates and a Reserve Account Letter of Credit/Insurance Policy, and (iii) to use such amounts or amounts drawn on the Reserve Account Letter of Credit/Insurance Policy deposited in each sub-account of the Reserve Account as set forth in Section 405 of the Trust Agreement. In the event the aggregate amount of any cash, the value of any Investment Securities and the stated amount of any Reserve Account Letter of Credit/Insurance Policy in a Reserve Account shall be less than the Reserve Account Requirement provided therefor, the Governing Board shall pay to the Trustee from moneys budgeted and appropriated for Basic Lease Payments during the current Fiscal Year as Supplemental Payments an amount equal to such deficiency within thirty (30) days of receipt of notice of the deficiency from the Trustee. In the event the Trustee makes a draw on a Reserve Account Letter of Credit/Insurance Policy to pay amounts equal to Basic Lease Payments represented by a Series of Certificates, the Governing Board shall cause the amount which the Trustee can draw upon such Reserve Account Letter of Credit/Insurance Policy (or its original stated amount, if the Governing Board shall have deposited into the related Reserve Account a Letter of Credit/Insurance Policy pursuant to this Section) to be reinstated. In the event a Reserve Account Letter of Credit/Insurance policy on deposit in a Reserve Account expires or is terminated, the Governing Board shall, simultaneously with such expiration or termination,

either replace such Letter of Credit/Insurance Policy with a subsequent Reserve Account Letter of Credit/Insurance Policy with a stated amount equal to the Reserve Account Requirement or transfer to the Trustee, for deposit in such Reserve Account in which such Letter of Credit/Insurance Policy had been deposited, an amount of cash equal to the Reserve Account Requirement.

**SECTION 3.2. CREDITS TO LEASE PAYMENTS.** The Lease Payments due hereunder shall be reduced when applicable by the following amounts:

(a) The Trustee shall deposit into the Lease Payment Account established with respect to each Lease, interest income in accordance with the Trust Agreement, amounts in excess of the Reserve Account Requirement transferred to the Lease Payment Account pursuant to Section 405(d) of the Trust Agreement and amounts transferred from the Capitalized Interest Account to the Lease Payment Account pursuant to Section 403 of the Trust Agreement, and apply such amounts as provided therein.

(b) Unless otherwise provided in the Schedule related thereto, upon the completion of acquisition and construction of the Facilities and Facility Sites financed under a particular Lease and payment of all costs of such Facilities and Facility Sites or upon the termination of the Lease Term of a particular Lease pursuant to Section 4.1 hereof, the amounts, if any, on deposit in the Acquisition Account for the related Series of Certificates shall be transferred to the Lease Payment Account for such Series, to be applied to Basic Lease Payments next coming due under the Lease.

(c) There shall be deposited in the Lease Payment Account or the Prepayment Account for a Series of Certificates, as the case may be, Net Proceeds realized in the event of damage, destruction or condemnation to be applied to Basic Lease Payments under the related Lease, or to the Prepayment Price of such Series of Certificates, all as provided for in Section 5.4(b) hereof.

**SECTION 3.3. BASIC LEASE PAYMENT COMPONENTS.** A portion of each Basic Lease Payment is paid as and represents the payment of interest and the balance of each Basic Lease Payment is paid as and represents the payment of principal. Each Schedule hereto shall set forth such components of each Basic Lease Payment for each Facility or Facilities financed hereunder. The interest portion of Basic Lease Payments shall be calculated on the basis of a 360 day year consisting of twelve 30 day months,

**SECTION 3.4. LEASE PAYMENTS TO BE UNCONDITIONAL.** Subject to Sections 3.1 and 3.5 hereof the obligations of the Governing Board to make Lease Payments and to pay all other amounts provided for herein and in each Schedule and to perform its obligations under this Master Lease and each schedule, shall be absolute and unconditional, and such Lease Payments and other amounts shall be payable without abatement or any rights of set-off, recoupment or counterclaim the Governing Board might have against any supplier, contractor, the Corporation, the Trustee or any other person and whether or not the Facilities are accepted

for use or used by the Governing Board or available for use by the Governing Board, whether as a result of damage, destruction, condemnation, defect in title or failure of consideration or otherwise. This Master Lease shall be deemed and construed to be a "net lease".

**SECTION 3.5. NON-APPROPRIATION.** Notwithstanding anything in this Master Lease to the contrary, the cost and expense of the performance by the Governing Board of its obligations under this Master Lease and each Schedule hereto and the incurrence of any liabilities of the Governing Board hereunder and under each Schedule hereto including, without limitation, the payment of all Lease Payments and all other amounts required to be paid by the Governing Board under this Master Lease and each Schedule hereto, shall be subject to and dependent upon appropriations being duly made from time to time by the Governing Board for such purposes. Under no circumstances shall the failure of the Governing Board to appropriate sufficient funds constitute a default or require payment of a penalty, or in any way limit the right of the Governing Board to purchase or utilize facilities similar in function to those leased hereunder.

Unless the Governing Board, at a public meeting held prior to the end of the then current Fiscal Year, shall give notice of its intent not to appropriate the funds necessary to make all Lease Payments coming due in the following Fiscal Year under this Master Lease and each Schedule hereto, the Chief Financial Officer of the District shall include in the tentative budget proposal the funds necessary to make such Lease Payments, and the Lease Term of all Leases shall be automatically renewed on September 30 of the current Fiscal Year, for the following Fiscal Year, subject to appropriation being made by the Governing Board in the final official budget. If Lease Payments are due hereunder during the period prior to the adoption of the Governing Board's final official budget for an ensuing Fiscal Year, the Lease Term of all Leases shall be deemed extended only if the tentative budget or extension of the prior budget (whether by Board action or operation of law) makes available to the Governing Board monies which may be legally used to make the Lease Payments due hereunder during such period. If no such appropriation is made in the final official budget, or if no official budget is adopted as of the last day upon which a final budget is required to have been adopted under Section 373.536, Florida Statutes and applicable regulations thereunder, the Lease Term of all Leases shall terminate as of the date of adoption of the final official budget, or such last day, whichever is earlier.

If the Governing Board declares its intent at such public meeting prior to the end of the then current Fiscal Year not to appropriate funds, the Lease Term of all Leases shall not be automatically renewed for the following Fiscal Year, but shall terminate on September 30 of the current Fiscal Year. The final Lease Term may be for a period which is less than a full Fiscal Year.

The Governing Board shall provide written notice of any non-appropriation of funds described herein to the Trustee, any Credit Facility Issuer and any issuer of a Reserve Account Letter of Credit/Insurance Policy within three (3) Business Days thereafter.

THE GOVERNING BOARD MAY NOT BUDGET AND APPROPRIATE FUNDS TO MAKE LEASE PAYMENTS SELECTIVELY ON A LEASE BY LEASE BASIS, BUT MUST APPROPRIATE FUNDS FOR ALL LEASES OR NONE OF THEM.

**SECTION 3.6. SURRENDER OF FACILITIES.** (A) Upon the termination of the Lease Term of all Leases prior to the payment of all Payments scheduled therefor or without the payment of the then applicable Purchase Option Price of the Facilities financed under such Lease, or (B) as provided in Section 8.2 hereof upon the occurrence of an event of default, the Governing Board shall immediately surrender and deliver possession of all the Facility Sites and Facilities financed under this Master Lease and all Schedules hereto to the Trustee as assignee of the Corporation or any person designated by it in the condition, state of repair and appearance required under this Master Lease, in accordance with the instructions of the Corporation. Upon such surrender, the transferee shall sell or lease the Facilities if then practicable in such manner and to such person or persons for any lawful purpose or purposes, as it shall, in its sole discretion, determine to be appropriate. The proceeds derived by such transferee from any such sale or lease of Facilities shall be applied first to the payment in full of the Series of Certificates relating to such Facilities (including all amounts owing under the applicable Lease) and then to the payment of any accrued but unpaid obligations of the Corporation under Section 3 of the Ground Lease relating to such Facilities. Any excess after all such payments shall be paid to the Governing Board.

If the Governing Board shall refuse or fail to voluntarily deliver possession of the Facilities to the Corporation or its assignee as above provided, the Corporation or its assignee may enter into and upon the Facilities, or any part thereof, and repossess the same and thereby restore the Corporation or its assignee to its former possessory estate as lessee under the related Ground Lease and lessor hereunder and expel the Governing Board and remove its effects forcefully, if necessary, without being taken or deemed to be guilty in any manner of trespass in order that the Corporation or its assignee may sell or re-let the leasehold interest in the Facilities, subject to Permitted Encumbrances, for any lawful purpose or purposes, for the remainder of the term of the related Ground Lease, if applicable, and the Governing Board shall have no further possessory right whatsoever in the Facilities, for the remainder of the term of the respective Ground Lease; the Corporation or its assignee may exercise all available remedies at law or in equity to evict the Governing Board and to enjoy its possessory rights to all Facility Sites under one or more Ground Leases; and the Governing Board shall be responsible for the payment of damages in an amount equal to the Lease Payments which would have accrued hereunder, calculated on a daily basis, for any period during which the Governing Board fails to surrender the Facilities or for any other loss suffered by the Corporation or its assignee as a result of the Governing Board's failure to surrender the Facilities, all without prejudice to any remedy which might otherwise be available to the Corporation or its assignee for arrears of ease Payments or for any breach of the Governing Board's covenants herein contained.

Upon the termination of the Lease Term of all Leases as a result of a default by the Governing Board, the Corporation or its assignee shall have, in addition to the rights and remedies described above, the right to sue for compensatory damages, including upon failure of

the Governing Board to surrender possession of the Facilities to the Corporation or its assignee, damages for any loss suffered by the Corporation or its assignee as a result of the Governing Board's failure to take such actions as required, including reasonable legal fees.

The Governing Board, as owner of the Facility Sites, may voluntarily and in cooperation with the Corporation or its assignee as owner of the Facilities, sell the Facility Sites and the Facilities, the proceeds of such sale to be applied by the Trustee in the manner described above in this section. The sale of any particular Facility Site and Facility thereon shall require the consent of the Credit Facility Issuer, if any, insuring the Series of Certificates relating to such Facility Site and Facility thereon. If applicable, such sale shall be conducted in accordance with the requirements of Section 373.089, Florida Statutes.

#### **ARTICLE IV TERMINATION**

**SECTION 4.1. TERMINATION OF LEASE TERM.** The Lease Term will terminate upon the earliest of any of the following events:

(a) with respect to all Leases, on the latest Lease Payment Date set forth in any Schedule attached to this Master Lease;

(b) with respect to all Leases, in the event of non-appropriation of funds for payment of Lease Payments as provided in Sections 3.1, 3.4 and 3.5 of this Master Lease;

(c) with respect to all Leases, upon a default by the Governing Board with respect to any Lease and the termination of the Lease Term of all Leases by the Trustee pursuant to Section 8.2(1) of this Master Lease;

(d) with respect to a particular Lease, upon payment by the Governing Board of the Purchase Option Price of the particular Facilities leased under such Lease, or upon provision for such payment pursuant to Section 7.3 hereof, provided, however, that upon such provision for payment the obligation to make Lease Payments under such Lease shall continue to be payable solely from such provision for payment.

#### **SECTION 4.2. EFFECT OF TERMINATION.**

(a) Upon the termination of the Lease Term for the reason referred to in Section 4.1(b) or (c) hereof, the provisions of Section 3.6 shall be applicable. Upon such termination for the reason referred to in Section 4.1(c) hereof, the provisions of Sections 8.2 and 8.3 shall also be applicable.

(b) In the event of the termination of the Lease Term for the reason referred to in Section 4.1(d) hereof, there shall be applied solely from the amounts deposited pursuant to Section 7.3 hereof as a reduction against such Basic Lease Payments to become due after such termination an amount equal to the Basic Lease Payments applicable to the Facilities.

(c) Notwithstanding the termination of the Lease Term pursuant to Section 4.1 hereof, the representations of the Governing Board set forth in Section 2.10 hereof and the provisions of Sections 5.7 and 5.10 hereof shall survive such termination.

**ARTICLE V  
COVENANTS OF GOVERNING BOARD**

**SECTION 5.1. MAINTENANCE OF THE FACILITIES BY THE GOVERNING BOARD.** The Governing Board agrees that at all times during each Lease Term, the Governing Board will, at the Governing Board's own cost and expense, maintain, preserve and keep the Facilities in good repair and condition, and that the Governing Board will from time to time make or cause to be made necessary and proper repairs, replacements and renewals thereto. The Corporation shall have no obligation in any of these matters, or for the making of repairs or improvements to the Facilities. If the Governing Board fails to perform such obligations the Trustee may perform the Governing Board's obligations or perform work resulting from the Governing Board's actions or omissions and the cost thereof (together with interest until reimbursed) shall be immediately due and payable as Supplemental Payments.

**SECTION 5.2. TAXES, OTHER GOVERNMENTAL CHARGES AND UTILITY CHARGES.** In the event that the ownership, leasing, use, possession or acquisition of the Facilities or Facility Sites are found to be subject to taxation in any form, the Governing Board will pay during each Lease Term, as the same come due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Facilities or the Facility Sites and any Facilities or other property acquired by the Governing Board as permitted under this Master Lease in substitution for, as a renewal or replacement of, or a modification, improvement or addition to the Facilities or Facility Sites, as well as all utility and other charges incurred in the operation, maintenance, occupancy and upkeep of the Facilities and Facility Sites; provided that, with respect to any governmental charges that may lawfully be paid in installments over a period of years, the Governing Board shall be obligated to pay only such installments as have accrued during the time the Lease Term is in effect. If the Governing Board fails to perform such obligations the Trustee may perform the Governing Board's obligations and the cost thereof (together with interest until reimbursed) shall be immediately due and payable as Supplemental Payments.

**SECTION 5.3. PROVISIONS REGARDING INSURANCE.** During acquisition, construction and installation of the Facilities the Governing Board shall require any contractor to provide Workers' Compensation, Comprehensive General Liability Insurance, Property Insurance, Property coverage for contractor's equipment, Professional Liability Insurance, Builders Risk Insurance, Automobile Liability Insurance, and other insurance pursuant to the terms of the Instructions to Bidders and the General Conditions of the Governing Board. Contractors shall be required to provide builders all risk property damage insurance in an amount not less than the full value of all work in place and materials and equipment provided or delivered by each supplier. The Trustee and the Corporation shall be named as additional

insureds and loss payees wherever the Governing Board is to be so named, and shall be entitled to written notice of cancellation to the same extent as the Governing Board.

The Governing Board shall, during the Lease Term, purchase and maintain property insurance coverage in an amount not less than \$50,000,000 per occurrence, to the extent such insurance is available at commercially reasonable costs, covering the replacement cost of its property including the Facilities insuring against the perils of FIRE, FLOOD, LIGHTNING, WINDSTORM, HAIL, HURRICANE, WINDBLOWN RAIN, DAMAGE FROM WATER, EXPLOSION, AIRCRAFT, VEHICLES, SMOKE, VANDALISM AND MALICIOUS MISCHIEF, TRANSPORTATION HAZARDS, THEFT AND BURGLARY. The Governing Board shall maintain a self-insurance program for its combined general and automobile liability insurance coverage in an amount not less than \$150,000 per occurrence pursuant to the provisions contained within Section 768.28, Florida Statutes.

#### **ALTERNATE INSURANCE LANGUAGE**

**The Governing Board shall purchase and maintain property insurance coverage in amounts and with such deductibles and co-insurance provisions as, in the judgment of the Governing Board are adequate to protect it and the Facilities; but in no event in an amount less than the amount certified as reasonable by the Division of Emergency Management of the Office of Insurance Regulation of the State of Florida in order to remain qualified for the Federal disaster relief programs.**

The adequacy of the Governing Board's property insurance coverage shall be reviewed annually by the Insurance Consultant, and the Governing Board shall follow the recommendations of the Insurance Consultant so long as the recommended insurance is available at commercially reasonable costs and otherwise satisfies the criteria set forth herein. The Governing Board shall maintain eligibility for assistance by the Federal Emergency Management Agency.

The Governing Board may elect to self-insure for any such damage or liability, as provided above, upon the following terms and conditions:

- (a) the self-insurance program shall be approved by the Insurance Consultant;
- (b) The self-insurance program shall include a sound claims reserve fund out of which each self-insured claim shall be paid; the adequacy of such fund shall be evaluated at least annually by the Insurance Consultant; and any deficiencies in the fund shall be remedied in accordance with the recommendations of the Insurance Consultant;
- (c) The self-insurance claims reserve fund shall be held in a bank account created for the purpose of maintaining such self-insurance funds, which bank account may be under the control of the Governing Board and may not be commingled with other Governing Board moneys; and

(d) In the event the self-insurance program shall be discontinued, the actuarial soundness of its claims reserve fund shall be maintained.

The Governing Board may also self-insure for the amount of the deductible portion of the above described insurance coverage. The Governing Board's present maximum self-insured limits are \$100,000 per occurrence for property coverage not including wind, and a maximum of two percent (2%) and a minimum of \$500,000 per occurrence resulting from wind damage; and \$150,000 per occurrence for combined general and automobile liability coverage. If the Governing Board revises such limits such that its self-insured retention exceeds 10% of the amount of property insurance recommended by the Insurance Consultant, the Governing Board will cause the adequacy of self-insurance reserve fund to be reviewed by the Insurance Consultant on an annual basis.

Any insurance policy issued pursuant to this Section 5.3 shall provide that the Corporation and the Trustee shall be notified of any proposed cancellation of such policy thirty (30) days prior to the date set for cancellation. Any policy of all risk property insurance must be obtained from a commercial insurance company or companies rated A by A.M. Best Company or in one of the two highest rating categories of Moody's and S&P, or otherwise approved by the Credit Facility Issuer. The Governing Board and the Trustee shall be named as insureds and loss payees.

If required by Florida law, the Governing Board shall carry or cause to be carried worker's compensation insurance covering all employees on, in, near or about the Facilities, and upon request, shall furnish or cause to be furnished to the Corporation and the Trustee certificates evidencing such coverage.

In the event of any loss, damage, injury, accident, theft or condemnation involving the Facilities, the Governing Board shall promptly provide or cause to be provided to the Corporation and the Trustee written notice thereof, and make available or cause to be made available to the Corporation and the Trustee all information and documentation relating thereto.

Any insurance policy maintained pursuant to this Section 5.3 shall be so written or endorsed to provide that the Trustee (on behalf of the Certificate Holders), and the Corporation are named additional insureds, and the Trustee, the Corporation and the Governing Board are named as loss payees as their interests may appear and the Net Proceeds of any appropriation made in connection with a self-insurance election shall be payable to the Governing Board, the Corporation and the Trustee (on behalf of the Certificate Holders) as their respective interests may appear. The Net Proceeds of the insurance required in this Section 5.3 or the Net Proceeds of any appropriation in connection with a self-insurance election shall be applied as provided in Section 5.4 (a) and Section 5.4 (b) hereof.

**SECTION 5.4. DAMAGE, DESTRUCTION OR CONDEMNATION.** If prior to the termination of the Lease Term under a particular Lease, the Facilities financed under such Lease

or any portion thereof are destroyed or are damaged by fire or other casualty, or title to, or the temporary use of such Facilities or any portion thereof shall be taken under the exercise of the power of eminent domain, the Governing Board shall, within sixty (60) days after such damage, destruction or condemnation elect one of the following two options by written notice from an Authorized Governing Board Representative of such election to the Corporation and the Trustee:

(a) **Option A - Repair, Restoration or Replacement.** Except as provided below, the Governing Board will cause the Net Proceeds of any insurance or the Net Proceeds of any appropriation made in connection with a self-insurance election, or the Net Proceeds of any claim or condemnation award to be applied to the prompt repair, restoration, or replacement (in which case such replacement shall become subject to the provisions of the related Lease as fully as if it were the originally leased Facilities) of such Facilities. Any such Net Proceeds received by the Trustee shall be deposited in the related Acquisition Account and be applied by the Trustee toward the payment of the Cost of such repair, restoration or replacement, utilizing the same requisition process set forth in the Trust Agreement for the payment of the Cost of the Facilities from such Acquisition Account.

(b) **Option B - Partial Prepayment.** If the Governing Board has determined that its operations have not been materially affected and that it is not in the best interest of the Governing Board to repair, restore or replace that portion of the Facilities so damaged, destroyed or condemned, then the Governing Board shall not be required to comply with the provisions of subparagraph (a) set forth above. If the Net Proceeds are equal to less than ten percent (10%) of the remaining principal portion of the Basic Lease Payments relating to such Facilities, such Net Proceeds shall be deposited in the Lease Payment Account for the Series of Certificates relating to such Facilities to be credited against Basic Lease Payments next coming due in accordance with Section 3.2 (C) hereof. If the Net Proceeds are equal to or greater than ten percent (10%) of the remaining principal portion of the Basic Lease Payments relating to such Facilities, such Net Proceeds shall be deposited in the Prepayment Account for the Series of Certificates relating to such Facilities to be applied to the prepayment in part of the principal portion and accrued interest portion of Basic Lease Payments relating to such Facilities represented by the Certificates in accordance with Section 7.2 hereof.

**SECTION 5.5. INSUFFICIENCY OF NET PROCEEDS.** If the Governing Board elects to repair, restore or replace the Facilities under the terms of Section 5.4 (a) hereof and the Net Proceeds therefor are insufficient to pay in full the Cost of such repair, restoration or replacement, the Governing Board shall complete the work and pay any cost in excess of the amount of the Net Proceeds, and the Governing Board agrees that, if by reason of any such insufficiency of the Net Proceeds the Governing Board shall make any payments pursuant to the provisions of this Section, the Governing Board shall not be entitled to any reimbursement therefor from the Corporation or the Trustee nor shall the Governing Board be entitled to any diminution of the amounts payable under the related Lease.

**SECTION 5.6. ADVANCES.** In the event the Governing Board shall not elect to self-insure any risk that would otherwise require the maintenance of insurance coverage hereunder, and shall fail to maintain the full insurance coverage required hereunder, the Corporation may, but shall be under no obligation to, purchase the required policies of insurance and pay the premiums on the same, or if the Governing Board shall fail to keep the Facilities in good repair and operating condition, the Corporation may, but shall be under no obligation to, make such repairs or replacements as are necessary and provide for payment thereof; and all amounts so advanced therefor by the Corporation shall become immediately due and payable as a Supplemental Payment under the Lease relating to such Facilities which amounts, together with interest thereon (at an annual interest rate equal to the interest portion of the Basic Lease Payments, expressed as an annual interest rate) until paid, the Governing Board agrees to pay.

**SECTION 5.7. RELEASE AND INDEMNIFICATION.** To the extent permitted by Florida law, including the provisions of Section 768.28 Florida Statutes, the District shall indemnify and save the Corporation and the Trustee harmless from and against any and all liability, obligations, claims and damages, including consequential damages and reasonable legal fees and expenses, arising out of, or in connection with the transactions contemplated by this Master Lease, all Schedules hereto, any Ground Lease, any Assignment Agreement and the Trust Agreement including, without limitation, the issuance of Certificates, except in the case of liability, obligations, claims and damages arising out of their own negligence or willful misconduct.

**SECTION 5.8. PAYMENT AND PERFORMANCE BONDS AND OTHER GUARANTY.** The Governing Board shall obtain itself or cause any contractor to provide performance, payment and guarantee and any additional bonds or surety bonds, if and when required pursuant to the Instructions to Bidders and the General Conditions and the provisions of Section 255.05, Florida Statutes, and other applicable provisions of Florida Law. Such bonds or other surety shall be in dual obligee form naming the Governing Board and the Trustee as dual obligees.

**SECTION 5.9. ESSENTIAL GOVERNMENTAL FUNCTIONS.** The Governing Board represents and warrants that the services to be provided by or from the Facilities are essential to the delivery of the Governing Board's essential governmental services, and covenants that during the Lease Term it will use the Facilities to perform essential governmental functions relating to its statutory responsibility of providing water resource development throughout the District. The Governing Board represents and covenants that it has an immediate need for the Facilities, that it does not expect such need to diminish during the Lease Term and that it intends to use the Facilities for purposes of water resource development and management, throughout each Lease Term.

**SECTION 5.10. TAX EXEMPTION; REBATES.** In order to maintain the exclusion from gross income for federal income tax purposes of the interest portion of the Basic Lease Payments paid with respect to Certificates (other than Taxable Certificates), the Governing Board shall comply with the provisions of the Code applicable to this Master Lease and each

Schedule thereto and each Series of Certificates issued under the Trust Agreement (other than Taxable Certificates), including without limitation the provisions of the Code relating to the computation of the yield on investments of the Gross Proceeds of each Series of Certificates, reporting of earnings on the Gross Proceeds of each Series of Certificates, and rebating Excess Earnings to the Department of the Treasury of the United States of America. In furtherance of the foregoing, the Governing Board shall comply with the letter of instructions as to compliance with the Code with respect to each Lease and each Series of Certificates, to be delivered by Special Tax Counsel at the time each Series of Certificates is issued, as such letter may be amended from time to time, as a source of guidance for achieving compliance with the Code.

The Governing Board shall not take any action or fail to take any action which would cause a Lease and the Series of Certificates relating thereto to be "arbitrage bonds" within the meaning of Section 148(a) of the Code or which would otherwise cause the portion of Basic Lease Payments under such Lease representing the payment of interest as set forth in Section 3.3 hereof to be includable in the gross income of the Certificate Holders.

In the event that the Governing Board shall fail to rebate such Excess Earnings when due, the Corporation or its assignee may, but shall be under no obligation to, pay amounts due to the Treasury; and all amounts so advanced by the Corporation or its assignee shall become immediately due and payable as a Supplemental Payment under the Lease relating to such Series of Certificates which amounts, together with interest thereon (at an annual interest rate equal to the interest portion of the Basic Lease Payments relating hereto expressed as an annual interest rate) until paid, the Governing Board agrees to pay.

**SECTION 5.11. BUDGET AND TAX LEVY.** The Governing Board covenants that it shall cause the Chief Financial Officer to prepare and submit the budget recommendation in accordance with Section 3.5 hereof and that the Governing Board will act on such recommendation, will hold public hearings, will adopt tentative and final official budgets, and will submit such budgets to the Executive Office of the Governor for approval, all pursuant to the requirements of the laws of Florida.

Subject to the right of non-appropriation set forth in Sections 3.1 and 3.5 hereof the Governing Board expects that its legally available revenues will be sufficient to meet its Lease Payment obligations under the Master Lease in each Fiscal Year.

**SECTION 5.12. COMPLIANCE WITH LAW, REGULATIONS, ETC.**

(a) The Governing Board has, after due inquiry, no knowledge and has not given or received any written notice indicating that its Facilities and Facility Sites or the past or present use thereof or any practice, procedure or policy employed by it in the conduct of its business materially violates any applicable law, regulation, code, order, rule, judgment or consent agreement, including, without limitation, those relating to zoning, building, use and occupancy, fire safety, health, sanitation, air pollution, ecological matters, environmental protection, hazardous or toxic materials, substances or wastes, conservation, parking, architectural barriers

to the handicapped, or restrictive covenants or other agreements affecting title to the Facilities and Facility Sites (collectively, "Laws and Regulations"), Without limiting the generality of the foregoing, neither the Governing Board nor to the best of its knowledge, after due inquiry, any prior or present owner, tenant or subtenant of any of the Facilities and Facility Sites has, other than as set forth in subsections (a) and (b) of this Section or as may have been remediated in accordance with Laws and Regulations, (i) used, treated, stored, transported or disposed of any material amount of flammable explosives, polychlorinated biphenyl compounds, heavy metals, chlorinated solvents, cyanide, radon, petroleum products, asbestos or any Asbestos Containing Materials, methane, radioactive materials, pollutants, hazardous materials, hazardous wastes, hazardous, toxic, or regulated substances or related materials, as defined in CERCLA, RCRA, CWA, CAA, TSCA, FRPA and Title III (as such terms are defined in subsection (e)), and the regulations promulgated pursuant thereto, and in all other Environmental Regulations applicable to the Governing Board, any of the Facilities or Facility Sites or the business operations conducted by the Governing Board thereon (collectively, "Hazardous Materials") on, from or beneath its Facilities or Facility Sites, (ii) pumped, spilled, leaked, disposed of, emptied, discharged or released (hereinafter collectively referred to as "Release") any material amount of Hazardous Materials on, from or beneath its Facilities or Facility Sites, or (iii) stored any material amount of petroleum products at its Facility Sites in underground storage tanks.

(b) Excluded from the representations and warranties in subsection (a) hereof with respect to Hazardous Materials are those amounts found in the inventory of or used in the maintenance of water district conservation sites and related facilities, the use, treatment, storage, transportation and disposal of which has been and shall be in compliance with all Laws and Regulations.

(c) No Facilities or Facility Sites located in an area of high potential incidence of radon has an unventilated basement or subsurface portion which is occupied or used for any purpose other than the support of the improvements to the Facilities.

(d) The Governing Board has not received any notice from any insurance company which has issued a policy with respect to the Facilities or Facility Sites, or from the applicable state or local government agency responsible for insurance standards (or any other body exercising similar functions), requiring the performance of any repairs, alterations or other work, which repairs, alterations or other work have not been completed at the Facilities or Facility Sites. The Governing Board has not received any notice of default or breach which has not been cured under any covenant, condition, restriction, right-of-way, reciprocal easement agreement or other easement affecting its Facilities or Facility Sites which is to be performed or complied with by it.

(e) For purposes of this Section and Section 5.13 hereafter, the following terms shall have the following meanings:

"Asbestos Containing Materials" shall mean material in friable form containing more than one percent (1%) of the asbestiform varieties of (a) chrysotile (serpentine); (b) crocidolite

(ricbeckite); (c) amosite (cummington-itegrinerite); (d) anthophyllite; (e) tremolite; and (f) actinolite.

"Environmental Regulations" shall mean all Laws and Regulations now or hereafter in effect, with respect to Hazardous Materials, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act, as amended (42 U.S.C. Section 9601, et seq. (together with the regulations promulgated thereunder, "CERCLA"), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Section 6901, et seq.)(together with the regulations promulgated thereunder, "RCRA"), The Emergency Planning and Community Right-to-Know Act, as amended (42 U.S.C. Section 11001, et seq.) (together with the regulations promulgated thereunder, "Title III"), the Clean Water Act, as amended (33 U.S.C. Section 1321, et seq.) (together with the regulations promulgated thereunder, "CWA"), the Clean Air Act, as amended (42 U.S.C. Section 7401, et seq.) (together with the regulations promulgated thereunder, "CAA"), the Florida Radiation Protection Act, as amended (Fla. Stat. Chapter 404) (together with all regulations promulgated thereunder, "FRPA") and the Toxic Substances Control Act, as amended (915 U.S.C. Section 2601 et seq.) (together with regulations promulgated thereunder, "TSCA"), and any state or similar laws and regulations and any so-called local, state or federal "superfund" or "superlien" law.

#### **SECTION 5.13. ENVIRONMENTAL COMPLIANCE.**

(a) The Governing Board shall not use or permit the Facilities or Facility Sites or any part thereof to be used to generate, manufacture, produce, store or process Hazardous Materials, except, and only to the extent, if necessary to maintain the improvements on the Facilities or Facility Sites and then, only in compliance with all Environmental Regulations, and any state or local equivalent laws and regulations, nor shall it permit, as a result of any intentional or unintentional act or omission on its part or by any tenant, subtenant, licensee, guest, invitee, contractor, employee and agent, the storage, transportation, disposal or use of Hazardous Materials or the Release or threat of Release of Hazardous Materials on, from or beneath the Facilities or Facility Sites or onto any other property. Upon the occurrence of any Release or threat of Release of Hazardous Materials, the Governing Board shall promptly commence and perform, or cause to be commenced and performed promptly, without cost to the Corporation all investigations, studies, sampling and testing, and all remedial, removal and other actions necessary to clean up and remove all Hazardous Materials so released, on, from or beneath the Facilities, Facility Sites or other property, in compliance with all Environmental Regulations. Notwithstanding anything to the contrary contained herein, underground storage tanks shall only be permitted subject to compliance with subsection (d) of this Section and only to the extent necessary to maintain the improvements on the Facilities or Facility Sites.

(b) The Governing Board shall comply with, and shall cause its tenants, subtenants, licensees, guests, invitees, contractors, employees and agents to comply with, all Environmental Regulations, and shall keep the Facilities and Facility Sites free and clear of any liens imposed pursuant thereto (provided, however, that any such liens, if not discharged, may be bonded). The Governing Board shall cause each tenant under any lease, and use its best efforts to cause

all of such tenant's subtenants, agents, licensees, employees, contractors, guests and invitees and the guests and invitees of all of the foregoing to comply with all Environmental Regulations and state and local equivalent with respect to the Facilities and Facility Sites; provided, however, that notwithstanding that a portion of this covenant is limited to the Governing Board's use of its best efforts, the Governing Board shall remain solely responsible for ensuring such compliance and such limitation shall not diminish or affect in any way the Governing Board's obligations contained in subsection (c) hereof. Upon receipt of any notice from any Person with regard to the Release of Hazardous Materials on, from or beneath the Facilities and Facility Sites, the Governing Board shall give prompt written notice thereof to the Trustee, the Corporation and the Credit Facility Issuer (and, in any event, prior to the expiration of any period in which to respond to such notice under any Environmental Regulations).

(c) Irrespective of whether any representation or warranty contained in Section 5.12 is not true or correct, the Governing Board shall defend and hold harmless the Corporation, the Trustee and the Credit Facility Issuer, their respective partners, depositors, trustees, successors and assigns, from and against any claims, demands, penalties, fines, attorneys' fees (including, without limitation, attorneys' fees incurred to enforce the indemnification contained in this Section 5.13), consultants' fees, investigation and laboratory fees, liabilities, settlements (five (5) Business Days' prior notice of which the Corporation, the Trustee or the Credit Facility Issuer, as appropriate, shall have delivered to the Governing Board), court costs, damages, losses, costs or expenses of whatever kind or nature, known or unknown, contingent or otherwise related to, (i) the presence, disposal, Release, threat of Release, removal, discharge, storage or transportation of any Hazardous Materials on, from or beneath the Facilities or Facility Sites, (ii) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials, (iii) any lawsuit brought or threatened, settlement reached (five (5) Business Days' prior notice of which the Corporation, the Trustee or Credit Facility Issuer, as appropriate, shall have delivered to the Governing Board) or governmental order relating to Hazardous Materials on, from or beneath any of the Facilities or Facility Sites, (iv) any violation of Environmental Regulations or subsection (a) or (b) hereof by it or any of its agents, tenants, employees, contractors, licensees, guests, subtenants or invitees, and (v) the imposition of any governmental lien for the recovery of environmental cleanup or removal costs. To the extent that the Governing Board is strictly liable under any Environmental Regulation, its obligation to the Corporation, the Trustee and the Credit Facility Issuer and the other parties identified above under the foregoing provision shall likewise be without regard to fault on its part with respect to the violation of any Environmental Regulation which results in liability to any indemnitee. The Governing Board's obligations and liabilities under this Section 5.13(c) shall survive the termination of this Master Lease.

(d) The Governing Board shall conform to and carry out a reasonable program of maintenance and inspection of all underground storage tanks, and shall maintain, repair, and replace such tanks only in accordance with Laws and Regulations, including but not limited to Environmental Regulations.

**SECTION 5.14. PROSECUTION AND DEFENSE OF SUITS.**

(a) The Governing Board shall promptly from time to time take or cause to be taken such action as may be necessary or proper to remedy or cure any defect in or cloud upon the title to any Facility Site or Facilities comprising a Project, or any portion thereof, and shall prosecute all such suits, actions and other proceedings as may be appropriate for such purpose and shall, to the extent permitted and limited by applicable law and only from moneys legally available for such purpose, indemnify or cause to be indemnified the Corporation for all loss, cost, damage and expense, which the Corporation may incur by reason of any such defect, cloud, suit, action or proceeding.

(b) The Governing Board shall defend, or cause to be defended against every suit, action or proceeding at any time brought against the Corporation, or its directors, officers and employees upon any claim arising out of the receipt, application or disbursement of any moneys held by the Trustee or arising out of the construction of Facilities comprising any Project and involving the rights of the Corporation, or its directors, officers and employees done or omitted to be done within the scope of their respective office or employment, other than an act or omission which is the result of willful or intentional misconduct or negligence by such parties; provided, that the Corporation, at its election, may appear in and defend any such suit, action or proceeding. To the extent permitted and limited by applicable law and only from moneys legally available for such purpose, the Governing Board shall indemnify or cause to be indemnified the Corporation, against any and all claims, demands, costs or liability claimed or asserted by any person, arising out of such receipt, application or disbursement.

**SECTION 5.15. WAIVER OF LAWS.** The Governing Board shall not at any time insist upon or plead in any manner whatsoever, or claim or suffer or take the benefit or advantage of any stay or extension law now or at any time hereafter in force which may adversely affect the covenants and agreements contained in this Master Lease and the benefit and advantage of any such law or laws is hereby expressly waived by the Governing Board to the extent that the Governing Board may legally make such waiver.

**ARTICLE VI  
TITLE**

**SECTION 6.1. TITLE TO FACILITY SITES AND FACILITIES.** Throughout the term of each Ground Lease, fee title to the Facility Sites described therein shall be in the name of the Governing Board, subject to Permitted Encumbrances. Until the earlier of the date on which payment in full, or provision for payment of all Lease Payments under a particular Lease or payment of the then applicable Purchase Option Price of one or more Facilities financed under such Lease, as provided in Sections 7.2 or 7.3 hereof, has been made, or until substitution of comparable Facilities for Facilities financed under a Lease as provided in Section 6.4 hereof, title to such Facilities shall remain vested in the Corporation (except as otherwise provided in the related Schedule), subject to Permitted Encumbrances. At such time as payment, or provision for payment as provided in Section 7.2 or 7.3 hereof, of all Lease Payments or the then

applicable Purchase Option Price of one or more Facilities has been made in full, the Governing Board shall be deemed to have exercised an option to purchase such Facilities and fee simple title to such Facilities free and clear of all encumbrances, except Permitted Encumbrances. The Corporation hereby appoints the Governing Board as its agent to prepare and file or record in appropriate offices such documents as may be necessary to cause record title to such Facilities to vest in the Governing Board. The Corporation agrees to immediately execute a warranty deed for the Facilities and a written surrender and release and an assignment without recourse or warranty of all its right, title, and interest under the related Lease and Ground Lease to the Governing Board, or shall execute amendments to the Lease Schedule, if appropriate in the case of the purchase of portions of the Facilities financed under a Lease, as well as all other instruments necessary to vest good and marketable fee simple title to the Facilities in the Governing Board and relinquish the Corporation's interest therein, subject only to Permitted Encumbrances. The related Ground Lease shall then be terminated, or modified, as provided therein. The Corporation shall request the execution of such instruments by the Trustee as necessary to effect the conveyances described herein.

There shall be no merger of a Lease or of the leasehold estate thereby created in any Facilities or Facility Sites with the fee estate in such Facilities or Facility Sites by reason of the fact that the same person may acquire or hold, directly or indirectly, a Lease or leasehold estate therein created or any interest therein, and the fee estate in the Facilities or Facility Sites relating to such Lease or any interest in such fee estate.

If required by a Credit Facility Issuer the Governing Board shall provide one or more policies of title insurance naming the Governing Board, the Corporation and the Trustee as insured, as their interests may appear, in amounts as required by such Credit Facility Issuer. Proceeds of any payment under a title insurance policy shall be paid to the Trustee and held for application (at the direction of the Governing Board prior to the occurrence of an Event of Default or a non-appropriation hereunder) first, to cure any defect in title, and second, in accordance with the priorities set forth in Section 504(a) of the Trust Agreement. The execution of each Ground Lease and each amendment thereto adding, deleting, substituting or modifying a Facility Site as provided herein shall not be subject to the approval of the related Credit Facility Issuer, if any, and at the time of such execution there shall be delivered by the Governing Board to the Trustee an Opinion of Counsel with respect to each Facility Site to the effect that there are no liens or encumbrances thereon that are not Permitted Encumbrances under the Master Lease, and that there shall be no merger of the fee estate of the Governing Board in the Facility Sites with the leasehold estates created therein by a Ground Lease or this Master Lease, notwithstanding the fact that the same person may hold one or more leasehold estates and such fee estate.

**SECTION 6.2. LIENS.** Except as permitted under this Master Lease, during the Lease Term each of the Corporation and the Governing Board shall not, directly or indirectly, create, incur, assume or suffer to exist any security interest, pledge, lien, charge, encumbrance or claim on any of the Facilities or Facility Sites or leasehold interests therein, other than the respective rights of the Trustee, the Corporation and the Governing Board as herein provided. If

any security interest, pledge, lien, charge, encumbrance or claim on any of the Facilities or Facility Sites or leasehold interests therein shall exist, or in the future arises, it shall be the duty of the Governing Board, within ninety (90) days after the Governing Board shall have been given written notice of such security interest, pledge, lien, charge, encumbrance, or claim being filed, to cause the Facilities or Facility Sites to be released from such security interest, pledge, lien, charge, encumbrance, or claim either by payment or by posting of a bond or by the payment into a court of competent jurisdiction of the amount necessary to relieve and release the Facilities or Facility Sites from such security interest, pledge, lien, charge, encumbrance, or claim or in any other manner which, as a matter of law, will result within such period of ninety (90) days in releasing the Facilities or Facility Sites from such security interest, pledge, lien, charge, encumbrance or claim; provided, however, that if such security interest, pledge, lien, charge, encumbrance or claim cannot, with due diligence, be discharged or removed within such ninety (90) day period and the Governing Board has diligently commenced to discharge or remove such security interest, pledge, lien, charge, encumbrance or claim within such period, the Governing Board shall have a reasonable period of time to discharge or remove such security interest, pledge, lien, charge, encumbrance or claim. The Governing Board shall reimburse the Corporation or the Trustee for any expense incurred by the Corporation or the Trustee in order to discharge or remove any such security interest, pledge, lien, charge, encumbrance or claim, provided, however, that neither the Corporation nor the Trustee is under any obligation to incur such expense without having been provided, in advance, with any amounts needed to pay such expense.

**SECTION 6.3. USE OF THE FACILITIES AND FACILITY SITES.** The Governing Board will not use, or maintain the Facilities or Facility Sites improperly, carelessly, in violation of any applicable law or in a manner contrary to their use as contemplated by this Master Lease. The Governing Board shall provide all permits and licenses, if any, necessary for the acquisition, construction and installation of the Facilities and Facility Sites. In addition, the Governing Board agrees to comply in all respects (including, without limitation, with respect to the use and maintenance of the Facilities and Facility Sites) with all applicable laws of the jurisdictions in which the Facilities and Facility Sites are located and with all applicable regulations, orders and decrees of any legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Facilities and Facility Sites; provided, however, that the Governing Board may contest in good faith the validity or application of any such law or rule in any reasonable manner which does not adversely affect the interest or rights of the Corporation or the Trustee under this Master Lease.

**SECTION 6.4. SUBSTITUTION OF FACILITIES AND RELEASE OF FACILITY SITES.** To the extent permitted by law, the Governing Board may substitute for any Facilities other facilities owned by the Governing Board, provided such substituted facilities (a) have the same or a greater remaining useful life, (b) have a fair market value equal to or greater than the Facilities for which they are substituted, (c) are of substantially equal utility as the Facilities to be replaced and meet the requirements of Section 5.9 hereof, and (d) are free and clear of all liens and encumbrances, except Permitted Encumbrances. In order to effect such substitution, the Facilities to be replaced shall be released from the encumbrance of the related Lease and

Ground Lease by appropriate instrument executed by the Governing Board and the Corporation (or Trustee as assignee of the Corporation) in form sufficient to leave good and marketable fee simple title to such Facilities in the Governing Board subject only to Permitted Encumbrances, and the facilities to be substituted shall likewise be incorporated in the appropriate Lease and Ground Lease modifications. The related Schedule shall be appropriately amended, and the related Ground Lease shall be amended or canceled and replaced, to reflect such substitution.

There shall also be delivered at the time of substitution an Opinion of Counsel addressed to the Governing Board, the Corporation, the Trustee and any Credit Facility Issuer as to the legality and validity of such substitution under the laws of the State and that such substitution will not adversely affect the exclusion from gross income for federal income tax purposes of the interest portion of the Basic Lease Payments paid to the related Certificate Holders, a policy of title insurance (if required by the applicable Credit Facility Issuer) and an opinion of Counsel as described in Section 6.1 hereof with respect to the substitute Facility Site.

For purposes hereof, "fair market value" shall be determined by the Governing Board on any reasonable basis including the original purchase price paid by the Governing Board related to such Facility or Facility Site as may be set forth in the related Schedule.

In the event a Facility Site that is the subject of an existing Schedule is needed for the acquisition, construction or installation of a Facility to be financed pursuant to a proposed Schedule such Facility Site, or portion thereof, may be released from the existing Schedule and made subject to the proposed Schedule, without the consent of the Credit Facility Issuer, if any, provided the Governing Board provides cash or other facilities of equal or greater value in lieu of the released Facility Site, or portion thereof. Any cash consideration paid shall be deposited into the related Acquisition Account for the existing Schedule and used to finance the cost of a Project. The substitution of other facilities may include the value of Projects constructed on the Facility Site remaining under the existing Schedule which are to be financed with proceeds of the proposed Schedule. In order to effect such substitution, the Facilities or the Facilities Site, or portion thereof, to be replaced shall be released from the encumbrance of the related Lease and Ground Lease by appropriate instrument executed by the Governing Board and the Corporation (or Trustee as assignee of the Corporation) in form sufficient to leave good and marketable fee simple title to such Facilities in the Governing Board subject only to Permitted Encumbrances, and the facilities to be substituted shall likewise be incorporated in the appropriate Lease and Ground Lease modifications. The related Schedule shall be appropriately amended, and the related Ground Lease shall be amended or canceled and replaced, to reflect such replacement or substitution.

**ARTICLE VII  
ASSIGNMENT, OPTION TO PURCHASE, AND PREPAYMENT**

**SECTION 7.1. ASSIGNMENTS; SUBLEASING.**

A. It is understood that substantially all right, title and interest of the Corporation in and to each Lease including the right to receive Basic Lease Payments thereunder, is to be assigned by the Corporation to the Trustee for the benefit of the holders of the Series of Certificates relating thereto, pursuant to the Assignment Agreement relating to such Lease. The Governing Board consents to such assignment and agrees that upon such assignment the Trustee shall have all of the rights of the Corporation thereunder, and shall be deemed to be the Corporation for all purposes of such Lease and the Governing Board agrees to pay to the Trustee at its principal corporate trust office all payments payable by the Governing Board to the Corporation pursuant to such Lease, notwithstanding any claim, defense, setoff or counterclaim whatsoever (whether arising from a breach of the Lease or otherwise) that the Governing Board may from time to time have against the Corporation or any person or entity associated or affiliated therewith.

B. This Master Lease and each Schedule hereto may not be assigned by the Governing Board for any reason. However, Facilities and Facility Sites, or portions thereof, may be subleased, as a whole or in part, by the Governing Board, without the necessity of obtaining the consent of the Corporation or its assignee, subject, however, to each of the following conditions:

(i) Such Facilities may be subleased for purposes of water resource development and management, in whole or in part, subject to the rules and regulations of the District, only to an agency or department or political subdivision of the State, or to another entity or entities if, in the opinion of Special Tax Counsel, such sublease will not impair the exclusion from federal income tax of the designated interest component of Basic Lease Payments payable by the Governing Board under the Lease relating to such Facilities with respect to Certificates other than Taxable Certificates;

(ii) This Master Lease, and the obligations of the Governing Board hereunder and under each Schedule hereto, shall, at all times during each Lease Term, remain obligations of the Governing Board, and the Governing Board shall maintain its direct relationships with the Corporation and its assignee, notwithstanding any sublease;

(iii) The Governing Board shall furnish or cause to be furnished to the Corporation and its assignee a copy of any sublease agreement;

(iv) No sublease by the Governing Board shall cause the Facilities to be used for any purpose which would adversely affect the exclusion from federal income taxation of the designated interest component of the Basic Lease Payments payable to

the Governing Board under the Lease relating to such Facilities financed with Certificates other than Taxable Certificates, or which would violate the Constitution, statutes or laws of the State; and

(v) Except as provided in the next sentence, the term of any sublease cannot extend beyond the end of the then current Lease Term. In the event the sublease relates to a Facility Site, or portion thereof, financed under an existing Schedule upon which the Governing Board proposes to finance Facilities with proceeds from a proposed Schedule and the proposed Schedule has a Lease Term which will extend beyond the Lease Term of the existing Schedule the Governing Body's sublease will convert into a leasehold interest for the remaining term of the Lease Term of the proposed Schedule.

(vi) The term of any sublease shall be subject to immediate cancellation upon the occurrence of a non-appropriation or event of default hereunder.

## **SECTION 7.2. PREPAYMENT.**

A. Optional. The principal portion of the Basic Lease Payments due under a particular Lease represented by a Series of Certificates shall be subject to prepayment at the option of the Governing Board, in the manner and at the times set forth in the Schedule to this Master Lease relating to such Series.

B. Extraordinary. In the event that:

(a) there are Net proceeds equal to or greater than ten percent (10%) of the remaining principal portion of the Basic Lease Payments relating to Facilities financed under a particular Lease, as a result of damage to or destruction or condemnation of any portion of such Facilities, and an election is made by the Governing Board in accordance with Section 5.4(b) hereof to apply the amount to the prepayment in part of the principal portions of Basic Lease Payments relating to such facilities, or

(b) the Lease Term is terminated for the reasons referred to in Sections 4.1(b) or 4.1(c) hereof;

then, in each case, same shall constitute an "Event of Extraordinary Prepayment".

Upon each Event of Extraordinary Prepayment the Corporation and the Governing Board shall pay such remaining Acquisition Account monies and Net Proceeds to the Trustee, and the Trustee shall deposit such funds in the respective Prepayment Accounts applicable to each Series of Certificates to be used to prepay such Series of Certificates in the manner provided in the Trust Agreement.

In the event of prepayment in part under a particular Lease, the Governing Board will provide the Trustee a revised Schedule of Lease Payments reflecting said partial prepayment.

In the event of a payment in full of the Purchase Option Price of all Facilities financed hereunder, all covenants, agreements and other obligations of the Governing Board under this Master Lease shall cease, terminate and become void and be discharged and satisfied except as otherwise provided in Section 4.1(d) hereof or elsewhere herein. In such event the Trustee and the Corporation shall execute and deliver to the Governing Board all such instruments in recordable form at the Governing Board's expense as may be desirable to evidence such discharge and satisfaction.

**SECTION 7.3. PREPAYMENT DEPOSIT.** Notwithstanding any other provision of this Master Lease, the Governing Board may on any date secure the payment of all or a portion of the Purchase Option Price of all Facilities under a particular Schedule hereto and the related Series of Certificates, or with the prior consent of the Credit Facility Issuer, if any, for the Series of Certificates from which the Facilities in question were originally financed, the Purchase Option Price under a Schedule relating to all or a portion of one or more particular Facilities set forth on such Schedule and a corresponding amount of Certificates of the Series relating thereto, by a deposit with the Trustee as escrow holder under an escrow deposit agreement of amounts as set forth in Section 801 of the Trust Agreement.

In such event all covenants, agreements and other obligations of the Governing Board under the related Lease, or with respect to a portion of the Purchase Option Price of all Facilities financed under such Lease, or with respect to one or more particular Facilities financed under such Lease, shall cease, terminate and become void and be discharged and satisfied in accordance with the provisions of Section 4.1(d) hereof (or, in the case of a deposit for a portion of a Facility, modified accordingly), except the obligation of the Governing Board to make or cause to be made, Basic Lease Payments, any Additional Lease Payments and any Supplemental Lease Payments under such Lease from the deposit made by the Governing Board pursuant to this Section, and except as provided in Section 4.2(c) hereof. In such event, the Trustee shall provide statements for such period or periods as shall be requested by the Governing Board to be prepared and filed with the Governing Board and, upon the request of the Governing Board, the Corporation or the Trustee, as appropriate, shall execute and deliver to the Governing Board all such instruments in recordable form at the Governing Board's expense as may be desirable to evidence such discharge and satisfaction.

**SECTION 7.4. REFUNDING CERTIFICATES.** The Corporation shall direct the Trustee, when directed to do so by the Governing Board, to issue one or more Series of refunding Certificates under a Supplemental Trust Agreement for the purpose of providing for the payment of all or a portion of Outstanding Series of Certificates, the funding of a Reserve Account, if any, and the payment of the Costs of Issuance in connection with such Series of refunding Certificates. Simultaneously with the issuance and delivery of such Series of refunding Certificates the applicable proceeds thereof shall be deposited with the Trustee as escrow holder under an escrow deposit agreement in such amount as set forth in Section 801 of the Trust Agreement. Upon the deposit as aforesaid, the Trustee and the Governing Board shall enter into an amendment to the related Lease Schedule at the Governing Board's expense, in order to adjust the Lease Payments to be made under such Lease to an amount sufficient to pay,

as and when the same mature and become due, the principal and interest portions of the Basic Lease Payments represented by the Series of refunding Certificates and by the original Series of Certificates to the extent that such Series has not been refunded (except to such extent as the same may be payable out of moneys or Government Obligations deposited pursuant to Section 7.3 hereof).

## ARTICLE VIII EVENTS OF DEFAULT AND REMEDIES

**SECTION 8.1. EVENTS OF DEFAULT DEFINED.** The following shall be "events of default" under this Master Lease and the terms "event of default" and "default" shall mean, whenever they are used in this Master Lease, any one or more of the following events:

(a) Failure by the Governing Board to pay in full any Basic Lease Payment with respect to any Lease at the time and in the manner specified herein;

(b) Failure by the Governing Board to pay in full any Additional Lease Payment or Supplemental Payment with respect to any Lease at the time and in the manner specified herein, and such failure shall continue for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied is given to the Governing Board by the Corporation, the Trustee or the related Credit Facility Issuer, if any, provided, however, that if the Authorized Governing Board Representative certifies to the Corporation, the Trustee or the related Credit Facility Issuer, if any, in writing that such default cannot with due diligence be cured within such thirty (30) day period and that the Governing Board has diligently commenced to cure such default within such period, the Governing Board shall have a reasonable period not exceeding sixty (60) days after written notice (unless further extended by the Credit Facility Issuer, or if there be none, the Trustee) to cure such default;

(c) Failure by the Governing Board to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder, other than as referred to in Section 8.1(a) or (b) for a period of sixty (60) days after written notice specifying such failure and requesting that it be remedied is given to the Governing Board by the Corporation, the Trustee or the related Credit Facility issuer, or any representation of the Governing Board in this Lease Purchase Agreement shall have been untrue when made; provided, however, that if the Authorized Governing Board Representative certifies to the Corporation, the Trustee or the related Credit Facility Issuer, in writing that such default cannot with due diligence be cured within such sixty (60) day period and that the Governing Board has diligently commenced to cure such default within such period, the Governing Board shall have a reasonable period to cure such default; or

(d) the filing of a petition in bankruptcy (or any other commencement of a bankruptcy or similar proceeding by or against the Governing Board under any applicable bankruptcy, insolvency, reorganization or similar law, now or hereafter in effect, and, in the

case of involuntary proceedings, the failure of the same to be dismissed within one hundred eighty (180) days of the filing thereof.

If by reason of force majeure the Governing Board is unable in whole or in part to carry out the agreements on its part herein contained, other than the obligations on the part of the Governing Board contained in Article III hereof, the Governing Board shall not be deemed in default during the continuance of such inability. The Term "force majeure" as used herein shall mean, without limitation, the following: acts of God, strikes, lockouts or other industrial disturbances; acts of public enemies, orders or restraints of any kind of the government of the United States of America or any of its departments, agencies or officials, or any civil or military authority; insurrections; riots; landslides; earthquakes; hurricanes; fires; storms; droughts; floods; or explosions.

Notwithstanding anything contained in this Section 8.1 to the contrary, a failure by the Governing Board to pay when due any payment required to be made under this Master Lease and any Schedule hereto or a failure by the Governing Board to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Master Lease, resulting from a failure by the Governing Board to appropriate moneys as contemplated by Sections 3.5 and 5.11 hereof, shall not constitute an event of default under this Section 8.1.

**SECTION 8.2. REMEDIES ON DEFAULT.** Whenever any event of default referred to in Section 8.1 shall have happened and be continuing, the Corporation shall have the right, without any further demand or notice except as hereinafter provided, to take one or any combination of the following remedial steps:

(1) upon written notice to the Governing Board, terminate the Lease Term of all Leases and, whether or not the Lease Term is terminated, exercise all available remedies at law or in equity as described in Section 3.6 hereof; or

(2) take whatever action at law or in equity as may appear necessary or desirable to collect all Lease Payments or other payments then due and thereafter to become due for the remainder of the then current Lease Term, or the Purchase Option Price then due, or to enforce performance and observance of any obligation, agreement or covenant of the Governing Board under this Master Lease.

**SECTION 8.3. NO REMEDY EXCLUSIVE.** No remedy herein conferred upon or reserved to the Corporation is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Master Lease or now or hereafter existing at law or in equity, subject to any limitations set forth in Section 3.6 hereof.

**ARTICLE IX  
MISCELLANEOUS**

**SECTION 9.1. NOTICES.** All notices, certificates, requests or other communications (other than payments by the Governing Board) hereunder shall be in writing and shall be sufficiently given and shall be deemed given when delivered or three (3) Business Days after being mailed by first class mail, postage prepaid, to the parties at their respective places of business as follows (or to such other address as shall be designated by any party in writing to all other parties):

Corporation: 3301 Gun Club Road  
West Palm Beach, Florida 33406  
Attention: President

Governing Board: 3301 Gun Club Road  
West Palm Beach, Florida 33406  
Attention: Executive Director

Trustee: \_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_

Copies of any notices shall be provided to all Credit Facility Issuers at the addresses provided in one or more Schedules.

Notice shall also be given by the Governing Board to the Rating Agencies of the occurrence of any one or more of the following: (i) the appointment of a Successor Trustee, (ii) the expiration or termination of a Credit Facility, (iii) the prepayment or defeasance of any of the Outstanding Certificates in accordance with Section 801 or 802 of the Trust Agreement or (iv) a material modification of or amendment to the Trust Agreement, this Master Lease, any Ground Lease, any Assignment Agreement, any Schedule or any Credit Facility.

**SECTION 9.2. BINDING EFFECT.** This Master Lease shall inure to the benefit of and shall be binding upon the Corporation and the Governing Board and their respective successors and assigns, including without limitation the Trustee pursuant to the Assignment Agreement.

**SECTION 9.3. SEVERABILITY.** In the event any provision of this Master Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

**SECTION 9.4. AMENDMENTS.** The terms of this Master Lease and any Schedule shall not be waived, altered, modified, supplemented or amended in any manner whatsoever except by written instrument signed by the Corporation and the Governing Board and, if

required under the terms of the Trust Agreement, by the Trustee, consented to by each Credit Facility Issuer.

Copies of amendments shall be provided to the Rating Agencies. Notwithstanding the foregoing, a Schedule may be amended without obtaining written consent of the Credit Facility Issuer for the purpose of adding or correcting a legal description and/or the Permitted Encumbrances for a Facility Site which has already been designated in such Schedule, in accordance with Section 6.1.

**SECTION 9.5. EXECUTION IN COUNTERPARTS.** This Master Lease may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**SECTION 9.6. CAPTIONS.** The captions or headings in this Master Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of the Master Lease.

**SECTION 9.7. INTEREST.** All interest calculations hereunder shall be made on the basis of a 360-day year consisting of twelve 30-day months (unless otherwise provided with respect to Additional Lease Payments on a Schedule hereto).

**SECTION 9.8. COMPLIANCE WITH TRUST AGREEMENT.** The Governing Board hereby approves and agrees to the provisions of the Trust Agreement. The Corporation hereby agrees not to amend or modify the Trust Agreement in any way without the written consent of the Governing Board so long as this Master Lease shall be in effect. The Governing Board agrees to do all things within its power in order to enable the Corporation to comply with all requirements and to fulfill all covenants of the Trust Agreement which require the Corporation to comply with requests or obligations so that the Corporation will not be in default in the performance of any covenant, condition, agreement or provision of the Trust Agreement, and the Governing Board further agrees to comply with and perform any obligations to be complied with or performed by the Governing Board pursuant to the Trust Agreement.

**SECTION 9.9. MEMORANDUM OF LEASE.** Simultaneously with the execution of this Master Lease and each Schedule hereto, and thereafter simultaneously with the execution of any Schedule, the Governing Board and the Corporation shall each execute, acknowledge and deliver a Memorandum of Lease with respect to the Master Lease and such Schedule. Said Memorandum of Lease shall not in any circumstances be deemed to change or otherwise to affect any of the obligations or provisions of this Master Lease.

**SECTION 9.10. APPLICABLE LAW.** This Master Lease shall be governed by and construed in accordance with the laws of the State of Florida.

**SECTION 9.11. WAIVER OF CHOICE OF REMEDIES.** The Governing Board hereby waives any right it may have to cause the Corporation to pursue any remedy and

pursue such remedy to fruition, and agrees and consents that the Corporation may simultaneously and contemporaneously pursue two or more remedies available to the Corporation, all of which are agreed to be concurrent and not alternative in any way, to the end that the Corporation may exercise any self help remedy under this Master Lease as to any Lease and may file and pursue to final judgment and final collection, actions (i) to eject the Governing Board and reclaim possession of any and all of the Facilities and/or Facility Sites, and (ii) against the Governing Board for money damages and (iii) against the Governing Board for performance of covenants, all at the same time, in any combination, in one action or in several actions, and any of them, all at the Corporation's sole discretion, provided only that the Corporation may not ultimately recover more than the total amount provided herein plus expenses and reimbursements as provided herein for preserving, maintaining and realizing on this Master Lease and the Leases.

**IN WITNESS WHEREOF**, the Corporation has caused this Master Lease to be executed in its corporate name by its duly authorized officers, and the Governing Board has caused this Master Lease to be executed in its name by its duly authorized members and officers on the date set forth below their respective signatures and all as of the day and year first written above.

[SEAL]

**SOUTH FLORIDA WATER MANAGEMENT  
DISTRICT LEASING CORP.**

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

By: \_\_\_\_\_  
Eric Buermann  
President

Date: \_\_\_\_\_, 2008

Date: \_\_\_\_\_, 2008

[SEAL]

**THE GOVERNING BOARD OF THE SOUTH  
FLORIDA WATER MANAGEMENT DISTRICT**

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

By: \_\_\_\_\_  
Eric Buermann  
Chair

Date: \_\_\_\_\_, 2008

Date: \_\_\_\_\_, 2008

COUNTY OF PALM BEACH )  
 ) SS:  
STATE OF FLORIDA )

I, \_\_\_\_\_, a Notary Public in and for the said County in the State aforesaid, do hereby certify that Eric Buermann and \_\_\_\_\_, personally known to me to be President and the Secretary, respectively, of SOUTH FLORIDA WATER MANAGEMENT DISTRICT LEASING CORP., a Florida not-for-profit corporation, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said corporation, and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this day of \_\_\_\_\_.

\_\_\_\_\_  
NOTARY PUBLIC, STATE OF FLORIDA

NOTARY PUBLIC  
SEAL OF OFFICE:

\_\_\_\_\_  
(Name of Notary Public, Print, Stamp or Type as Commissioned.)

\_\_\_ Personally known to me, or  
\_\_\_ Produced identification: \_\_\_\_\_  
\_\_\_ DID take an oath, or  
\_\_\_ DID NOT take an oath

COUNTY OF PALM BEACH )  
 ) SS:  
STATE OF FLORIDA )

I, \_\_\_\_\_, a Notary Public in and for the County and State aforesaid, do hereby certify that Eric Buermann and \_\_\_\_\_, personally known to me to be the Chair and Secretary of THE GOVERNING BOARD OF THE SOUTH FLORIDA WATER MANAGEMENT DISTRICT, subscribed to the foregoing Instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said corporation, and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this day of \_\_\_\_\_.

\_\_\_\_\_  
NOTARY PUBLIC, STATE OF FLORIDA

NOTARY PUBLIC  
SEAL OF OFFICE:

\_\_\_\_\_  
(Name of Notary Public, Print, Stamp or Type as Commissioned.)

- \_\_\_ Personally known to me, or
- \_\_\_ Produced identification: \_\_\_\_\_
- \_\_\_ DID take an oath, or
- \_\_\_ DID NOT take an oath

**EXHIBIT A**  
**FORM OF SCHEDULE TO MASTER LEASE**  
**PURCHASE AGREEMENT**

SCHEDULE \_\_\_\_\_  
dated \_\_\_\_\_, 2008

to

Master Lease Purchase Agreement dated as of  
\_\_\_\_\_, 2008 between  
South Florida Water Management District Leasing Corp.,  
as Lessor (the "Corporation")

and

The Governing Board of the South Florida Water Management  
District  
as Lessee (the "Governing Board")

**THIS SCHEDULE \_\_\_\_\_** (the "Schedule \_\_\_\_\_") is hereby entered into under and pursuant to that certain Master Lease Purchase Agreement dated as of \_\_\_\_\_, 2008 (the "Master Lease"), pursuant to which the Corporation has agreed to lease- purchase unto the Governing Board and the Governing Board has agreed to lease-purchase from the Corporation, subject to the terms and conditions of the Master Lease incorporated herein, the Series \_\_\_\_\_ Facilities herein described (the "Series \_\_\_\_\_ Facilities"). The Corporation hereby demises, leases and subleases to the Governing Board, and the Governing Board hereby hires, takes, leases and subleases from the Corporation, the Series \_\_\_\_\_ Facilities and the Series \_\_\_\_\_ Facility Sites described herein. The Master Lease with respect to this Schedule and as amended, modified and supplemented hereby, is referred to herein as the "Series \_\_\_\_\_ Lease". All terms not otherwise defined herein shall have the respective meanings set forth in the Master Lease, or in the Trust Agreement, including the Series \_\_\_\_\_ Supplemental Trust Agreement. All terms and conditions contained in the Master Lease unless otherwise amended or superseded hereby are incorporated herein by reference.

**SECTION 1. DEFINITIONS.** For purposes of the Series \_\_\_\_\_ Lease the following terms have the meaning set forth below.

"Assignment Agreement" shall mean the Series \_\_\_\_\_ Assignment Agreement dated as of \_\_\_\_\_, \_\_\_\_\_, between the Corporation and the Trustee.

"Certificate" or "Series of Certificates" shall mean the \$\_\_\_\_\_ Certificates of Participation, Series \_\_\_\_\_ dated as of \_\_\_\_\_, issued under the Trust Agreement, as amended and supplemented, and evidencing undivided proportionate interests of the owners

thereof in Basic Lease Payments to be made by the Governing Board pursuant to the Master Lease.

"Commencement Date" for the Series \_\_\_\_ Lease is \_\_\_\_\_.

"Continuing Disclosure Certificate" shall mean that certain Continuing Disclosure Certificate, dated \_\_\_\_\_, executed and delivered by the Governing Board in connection with the issuance of the Series \_\_\_\_ Certificates.

"Participating Underwriter" shall mean any of the original underwriters of the Series \_\_\_\_\_ Certificates required to comply with the Rule in connection with the offering of the Series Certificates.

"Rating Agency" shall mean each of Standard & Poor's Ratings Services, Fitch Ratings and Moody's Investors Service, Inc. and any other nationally recognized rating services not unacceptable to the Series \_\_\_\_\_ Credit Facility Issuer which shall have provided a rating on any Outstanding Certificates.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"Series \_\_\_\_ Credit Facility" shall mean \_\_\_\_\_.

"Series \_\_\_\_ Credit Facility Issuer" shall mean \_\_\_\_\_.

"Series \_\_\_\_ Facilities" shall mean the Facilities described in this Schedule No. \_\_\_\_\_.

"Series \_\_\_\_ Facility Sites" shall mean the Facility Sites described in this Schedule No. \_\_\_\_\_, to be ground leased by the Governing Board to the Corporation, as the same may be amended or supplemented from time to time.

"Series \_\_\_\_\_ Ground Lease" shall mean the Series \_\_\_\_\_ Ground Lease dated as of \_\_\_\_\_, \_\_\_\_\_, between the Governing Board as Lessor and the Corporation as Lessee, as amended or supplemented from time to time.

"Series \_\_\_\_\_ Supplemental Trust Agreement" shall mean the Series \_\_\_\_\_ Supplemental Trust Agreement dated as of \_\_\_\_\_, \_\_\_\_\_ between the Corporation and the Trustee.

**SECTION 2. LEASE TERM.** The total of all Lease Terms of the Lease are expected to be approximately \_\_\_\_\_ years consisting of an "Original Term" of approximately \_\_\_\_\_ (\_\_\_\_) months from through and including 30, and ( ) Renewal Terms of twelve (12) months, each from \_\_\_\_\_ 1 through and including \_\_\_\_\_ 30 of the next succeeding calendar year, commencing \_\_\_\_\_ 1, \_\_\_\_\_, and ending on \_\_\_\_\_ 30,

\_\_\_\_. Each Lease Term shall be subject to annual renewal pursuant to the provisions of Article III of the Master Lease.

**SECTION 3. SERIES \_\_\_\_\_ FACILITIES TO BE LEASE PURCHASED.** The Series \_\_\_\_\_ Facilities to be lease purchased under the Series \_\_\_\_\_ Lease are described as follows:

- B. General Description of the Series \_\_\_\_\_ Facilities:
- C. Estimated Costs of the Series \_\_\_\_\_ Facilities:

<u>Facility</u>	<u>Facility Site</u>	<u>Acquisition/Construction</u>	<u>Project Cost</u>
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**SECTION 4. SERIES \_\_\_\_\_ FACILITY SITE(S) TO BE GROUND LEASED TO THE CORPORATION AND PERMITTED ENCUMBRANCES.** The legal description of the Series \_\_\_\_\_ [ Site(s) to be Ground Leased to the Corporation and Permitted Encumbrances in addition to those specified in the Master Lease is (are) as follows:

**SECTION 5. APPLICATION OF CERTAIN PROCEEDS OFF SERIES CERTIFICATES.** The Trustee shall deposit the following sums in the following accounts from the proceeds of the Series \_\_\_\_\_ Certificates:

<u>Amount</u>		<u>Account</u>
\$ _____	Series _____	Acquisition Amount
\$ _____	Series _____	Cost of Issuance Subaccount
\$ _____	Series _____	Reserve Account
\$ _____*	Series _____	Lease Payment Account

\_\_\_\_\_  
\*Represents accrued interest.

**SECTION 6. BASIC LEASE PAYMENTS.** The principal portion and the interest portion of the Basic Lease Payments, the Lease Payment Dates and the remaining principal portion with respect to the Series \_\_\_\_\_ Facilities to be lease—purchased and the Series \_\_\_\_\_ Certificates attributable to such Facilities are set forth below. If, upon delivery of the Certificate of Acceptance indicating completion of the acquisition, construction, installation and payment of all costs of the Series \_\_\_\_\_ Facilities, or if the Governing Board determines not to acquire, construct or install one or more components of the Series \_\_\_\_\_ Facilities, it is determined that the cost of, and consequently the actual amount of Basic Lease Payments for a

Series \_\_\_\_\_ Facility is different from the amount set forth herein, this Section shall be revised as necessary to reflect the adjusted Schedule of Basic Lease Payments for all Series - Facilities to be lease-purchased, and for each individual Series \_\_\_\_\_ Facility or group of Series \_\_\_\_\_ Facilities. The Composite Schedule of Basic Lease Payments set forth on the following page shall be no less than the principal and interest payments represented by the Series \_\_\_\_\_ Certificates and shall only be amended in the event of a prepayment or a prepayment deposit of the principal portion of Basic Lease Payments represented by the Series Certificates pursuant to Section 7.2 or 7.3 of the Master Lease, and prepayment or defeasance of Series \_\_\_\_\_ Certificates pursuant to Section 201 of the Series \_\_\_\_\_ Supplemental Trust Agreement or Section 801 of the Master Trust Agreement.

The interest portion of the Basic Lease Payments represented by the Series \_\_\_\_\_ Certificates, expressed as an annual interest rate, is exempt from the limitations on interest rates set forth in Section 215.84, Florida Statutes, since the

Series \_\_\_\_\_ Certificates are rated within the three highest rating categories by a nationally recognized rating service.

SERIES _____ FACILITIES (COMPOSITE)				
Payment Date	Basic Lease Payment	Principal Portion	Interest Portion	Remaining Principal

Provide Basic Lease Payment Schedule for each  
Facility or group of Facilities financed hereunder

**SECTION 7. ADDITIONAL LEASE PAYMENTS.** Additional Lease Payments with respect to the Series \_\_\_\_\_ Certificates consist of the following:

- (1) Trustee Fees:
- (2) Trustee Expenses:

**SECTION 8. PREPAYMENT PROVISIONS.** In addition to [in lieu of] the prepayment provisions of Section 7.2 of the Master Lease, the principal portion of the Basic Lease Payments due as provided in Section 6 of this Schedule are subject to the following prepayment provisions:

- A. Optional Prepayment
- B. Extraordinary Prepayment

**SECTION 9. OTHER SPECIAL PROVISIONS**

A. Representations. (1) The Governing Board hereby represents, covenants and warrants that adequate water, sanitary sewer and storm sewer utilities, electric power, telephone and other utilities are available to the Series \_\_\_\_\_ Facility Sites, or the cost of making them available is included in the Governing Board's acquisition and construction budget for the Series \_\_\_\_\_ Facility Sites.

(1) The Governing Board hereby confirms its representations, covenants and warranties set forth in Section 2.10 of the Master Lease, except that all references therein to the Master Lease shall be deemed to refer to the Master Lease as supplemented by this Schedule \_\_\_\_\_, and except as otherwise provided below. The Corporation hereby confirms its representations, covenants and warranties set forth in Section 2.11 of the Master Lease, except that all references therein to the Master Lease shall be deemed to refer to the Master Lease as supplemented by this Schedule \_\_\_\_\_, and except as otherwise provided below.

(2) The Corporation hereby represents that the Master Lease is in effect and that to its knowledge there are no defaults on the date of execution of this Schedule \_\_\_\_\_ under any Lease, Ground Lease or the Trust Agreement.

B. Notices. Copies of all matters required to be given to the Credit Facility Issuer pursuant to the Master Lease shall be given to the Series \_\_\_\_\_ Credit Facility Issuer at the following address:

C. Continuing Disclosure. For purposes of the Series \_\_\_\_\_ Lease, the Governing Board hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of the Series \_\_\_\_\_ Lease, failure of the Governing Board to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default; however, the Trustee may (and, at the request of any Participating Underwriter or the Holders of at least 25% aggregate principal amount of Outstanding Series \_\_\_\_\_ Certificates, shall) or any Holder of the Series \_\_\_\_\_ Certificates or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Governing Board to comply with its obligations under this Section 9.C. For purposes of this Section, "Beneficial Owner" means any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series \_\_\_\_\_ Certificates (including persons holding Series \_\_\_\_\_ Certificates through nominees, depositories, or other intermediaries), or (b) is treated as the owner of any Series \_\_\_\_\_ Certificates for federal income tax purposes.

IN WITNESS WHEREOF, the Corporation has caused this Schedule No. \_\_\_\_ to be executed in its corporate name by its duly authorized officers, and the Governing Board has caused this Schedule No. \_\_\_\_ to be executed in its name by its duly authorized members or officers on the date set forth below their respective signatures and all of the day and year first written above.

(SEAL)

**SOUTH FLORIDA WATER MANAGEMENT  
DISTRICT LEASING CORP.**

Attest:

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

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

(SEAL]

**THE GOVERNING BOARD OF THE SOUTH  
FLORIDA WATER MANAGEMENT  
DISTRICT**

Attest:

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

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

**EXHIBIT B**  
**GOVERNING BOARD'S CERTIFICATE**

I, the undersigned Chair of The Governing Board of the South Florida Water Management District (the "Governing Board"), do hereby certify pursuant to the terms of the Master Lease Purchase Agreement between the Governing Board and South Florida Water Management District Leasing Corp. (the "Corporation") dated as of \_\_\_\_\_, 200 and Schedule No. \_\_\_\_\_ thereto dated \_\_\_\_\_ (collectively, the "Lease"), as follows:

(1) The Governing Board has, as agent for the Corporation, acquired the Series \_\_\_\_\_ Facilities described in Schedule

(2) Such Series \_\_\_\_\_ Facilities meet the Governing Board's specifications therefor, and have been acquired to the Governing Board's satisfaction. This certificate constitutes the acceptance certificate for such Series \_\_\_\_\_ Facilities required by Section 2.3 of the Master Lease and Section 402 of the Master Trust Agreement dated as of \_\_\_\_\_, 2008 between the Corporation and \_\_\_\_\_, as Trustee.

(3) The actual cost of such Series \_\_\_\_\_ Facilities is as follows:

(4) The Completion Date for such Series \_\_\_\_\_ Facilities is:

(5) Terms defined in the Master Lease and Schedule No. \_\_\_\_\_ thereto and used in this certificate have the same meanings in this certificate as are ascribed to such terms in the Master Lease and Schedule No. thereto.

[The remainder of this page intentionally left blank]

**THE GOVERNING BOARD OF THE SOUTH  
FLORIDA WATER MANAGEMENT  
DISTRICT**

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

Name: \_\_\_\_\_

Title: Chair

Date: \_\_\_\_\_

**SOUTH FLORIDA WATER MANAGEMENT  
DISTRICT LEASING CORP.**

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

Name: \_\_\_\_\_

Title: President

Date: \_\_\_\_\_

**EXHIBIT C**  
**MASTER TRUST AGREEMENT**

**MASTER TRUST AGREEMENT**

**by and between**

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT LEASING CORP.**

**and**

\_\_\_\_\_

**as Trustee**

**Dated as of \_\_\_\_\_**

## TABLE OF CONTENTS

<b>ARTICLE I DEFINITIONS AND RULES OF CONSTRUCTION .....</b>	<b>3</b>
Section 101.    Definitions.....	3
Section 102.    Rules of Construction.....	14
Section 103.    Exhibits.....	14
<b>ARTICLE II ASSIGNMENT; DECLARATION OF TRUST; REPRESENTATIONS .....</b>	<b>15</b>
Section 201.    Assignment Agreements.....	15
Section 202.    Declaration of Trust by Trustee.....	15
Section 203.    Representations.....	15
Section 204.    Description and Estimated Costs of the Facilities.....	15
Section 205.    Conditions Precedent Satisfied.....	15
<b>ARTICLE III CERTIFICATES; TERMS AND PROVISIONS .....</b>	<b>15</b>
Section 301.    Authorization of Certificates.....	15
Section 302.    Execution and Delivery of Certificates.....	16
Section 303.    Terms of Series of Certificates.....	16
Section 304.    Conditions Precedent to Delivery of a Series of Certificates.....	17
Section 305.    Payments from Trust Estate Only; Distribution of Trust Estate.....	19
Section 306.    Execution.....	20
Section 307.    Negotiability, Transfer and Registration.....	20
Section 308.    Regulations With Respect to Exchanges and Transfers.....	21
Section 309.    Certificates Mutilated, Destroyed, Stolen or Lost.....	21
Section 310.    Temporary Certificates.....	21
Section 311.    Privilege of Prepayment and Prepayment Price.....	22
Section 312.    Prepayment.....	22
Section 313.    Selection of Certificates to be Prepaid.....	22
Section 314.    Notice of Prepayment.....	22
Section 315.    Payment of Prepaid Certificates.....	23
Section 316.    Cancellation of Certificates.....	24
Section 317.    Qualification for The Depository Trust Company.....	24
<b>ARTICLE IV ESTABLISHMENT AND ADMINISTRATION OF FUNDS AND ACCOUNTS; PREPAYMENT OF CERTIFICATES .....</b>	<b>25</b>
Section 401.    Establishment of Project Fund.....	25
Section 402.    Acquisition Account.....	25
Section 403.    Capitalized Interest Accounts.....	27
Section 404.    Lease Payment Accounts.....	27
Section 405.    Reserve Accounts.....	28
Section 406.    Prepayment Accounts.....	30
Section 407.    Deposits of Money.....	31
Section 408.    Investment of Certain Accounts.....	31

Section 409.	Valuation and Sale of Investments.....	32
<b>ARTICLE V COVENANTS, DEFAULT AND LIMITATIONS OF LIABILITY .....</b>		<b>34</b>
Section 501.	Trustee to Perform each Lease.....	34
Section 502.	Notice of Nonpayment.....	34
Section 503.	Events of Default.....	34
Section 504.	Remedies on Default or Non-Appropriation.....	34
Section 505.	Account and Reports.....	36
Section 506.	Liability to Certificate Holders for Payment.....	36
Section 507.	Possession and Enjoyment.....	36
Section 508.	Warranties.....	36
<b>ARTICLE VI CONCERNING THE TRUSTEE.....</b>		<b>38</b>
Section 601.	Employment of Trustee.....	38
Section 602.	Trustee Acceptance of Duties.....	38
Section 603.	Evidence on Which Trustee May Act.....	39
Section 604.	Compensation to Trustee.....	40
Section 605.	Resignation of Trustee.....	41
Section 606.	Removal of Trustee.....	41
Section 607.	Appointment of Successor Trustee.....	41
Section 608.	Transfer of Rights in Property to Successor Trustee.....	42
Section 609.	Merger or Consolidation.....	42
Section 610.	Addition of Authorized Signature.....	42
Section 611.	Indemnification to Trustee.....	43
Section 612.	Obligation to Act on Defaults.....	43
Section 613.	Intervention by Trustee.....	43
Section 614.	Third Party Beneficiaries.....	43
<b>ARTICLE VII AMENDMENTS .....</b>		<b>44</b>
Section 701.	Mailing.....	44
Section 702.	Amendment Without Consent of Certificate Holders or Credit Facility Issuers.....	44
Section 703.	Amendment With Consent of Certificate Holders or Credit Facility Issuers.....	45
Section 705.	Notation on Certificates.....	46
Section 706.	Credit Facility Issuers Deemed Certificate Holders.....	47
<b>ARTICLE VIII MISCELLANEOUS .....</b>		<b>48</b>
Section 801.	Defeasance.....	48
Section 802.	Evidence of Signatures of Certificate Holders and Ownership of Certificates.....	51
Section 803.	Moneys Held for Particular Certificates.....	51
Section 804.	Preservation and Inspection of Documents.....	51
Section 805.	Parties Interest Herein.....	51
Section 806.	Severability.....	52
Section 807.	Recording and Filing.....	52
Section 808.	Notices.....	52

Section 809.	Applicable Law. ....	54
Section 810.	Binding on Successors. ....	54
Section 811.	Captions. ....	54
Section 812.	Legal Holidays. ....	54
Section 813.	Execution in Counterparts.....	54

Exhibit A.	FORM OF CERTIFICATE
Exhibit B.	FORM OF REQUISITION
Exhibit C.	FORM OF REQUISITION (COSTS OF ISSUANCE)

## MASTER TRUST AGREEMENT

**THIS MASTER TRUST AGREEMENT** is dated as of \_\_\_\_\_ (as the same may be amended or supplemented from time to time, this "Trust Agreement"), and is between \_\_\_\_\_, \_\_\_\_\_ (the "Trustee") and **SOUTH FLORIDA WATER MANAGEMENT DISTRICT LEASING CORP.**, a not-for-profit corporation, duly organized and existing under the laws of the State of Florida, as lessor under the within mentioned Master Lease (the "Corporation");

### WITNESSETH:

**WHEREAS**, the Governing Board (the "Governing Board") of the South Florida Water Management District (the "District"), pursuant to the Florida Water Resources Act, being Chapter 373, Florida Statutes (the "Act"), desires to, from time to time, enter into lease-purchase transactions for certain real property, structures and improvements, including the equipment, fixtures and furnishings (the "Facilities") to be built, installed or established therein (the "Projects"), in order to fulfill the aims and purposes of the Act, within the boundaries of the District (which includes all surface and ground water and related land resources within the counties of Broward, Charlotte, Collier, Glades, Hendry, Highlands, Lee, Martin, Miami-Dade, Monroe, Okeechobee, Orange, Osceola, Palm Beach, Polk, and St. Lucie), and may include Facilities located outside the boundaries of the District pursuant to the provisions of the Master Lease Purchase Agreement dated as of \_\_\_\_\_ (as the same may be amended or supplemented from time to time, the "Master Lease"), between the Corporation, as lessor, and the Governing Board, as lessee; and

**WHEREAS**, pursuant to Section 2.1 of the Master Lease, the Governing Board may from time to time, by execution of Schedules to the Master Lease (each hereinafter referred to as a "Schedule"), direct the Corporation to acquire and lease-purchase to the Governing Board the Facilities Sites and the Facilities described in such Schedule to the Master Lease; and

**WHEREAS**, the Master Lease and the terms and conditions thereof with respect to the particular Facilities and Facility Sites described on a Schedule are sometimes referred to herein as a "Lease" and the Schedule describing such Facilities and Facility Sites is sometimes referred to as "Schedule No. \_\_\_\_" or "Schedule \_\_\_\_"; and

**WHEREAS**, the Facilities shall be located on real property located within or outside the boundaries of the District (each such location, or all locations on a single Schedule, together with all structures and improvements erected or situated thereon, any easements or other rights or privileges in adjoining property inuring to the fee simple owner of such land by reason of ownership of such land, and all fixtures, additions, alterations or replacements thereto, on or used in connection with or attached or made to such land, a "Facility Site") to be leased or subleased by the Governing Board to the Corporation pursuant to a Ground Lease (as defined herein); and

**WHEREAS**, the relationship between the Corporation and Governing Board under the Master Lease is to be a continuing one and Facilities and Facility Sites may be added to or deleted from the Master Lease from time to time in accordance with the terms thereof and of the Schedule describing such Facilities and Facility Sites; and

**WHEREAS**, pursuant to Section 7.1 of the Master Lease, the Corporation, with the consent of the Governing Board, has the right to assign all of its right, title and interest in and to a particular Lease (except for its right to indemnification under Section 5.7 of the Master Lease, its right to hold title to the Facilities under Section 6.1 of the Master Lease and its right to receive notices under the Master Lease) to the Trustee including the rights to receive Basic Lease Payments (as hereinafter defined) due under such Lease; and

**WHEREAS**, the Corporation has requested the Trustee to issue from time to time separate Series of Certificates of Participation substantially in the form of Exhibit A hereto (the "Certificates") to third parties to whom such Certificates are sold, and for whose benefit and for the benefit of any corresponding Credit Facility Issuer (as hereinafter defined) an Assignment Agreement will be executed and delivered to the Trustee, each such Certificate of a particular Series (as hereinafter defined) evidencing an undivided proportionate interest of the registered owner thereof to the Basic Lease Payments to be made under one or more Leases created by one or more particular Schedules and certain rights of the Corporation under such Lease or Leases; and

**WHEREAS**, upon receipt by the Trustee from the Corporation of the corresponding Assignment Agreement and satisfaction of the conditions set forth in Section 304 hereof, the Trustee shall issue a Series of Certificates that shall correspond to the Lease or Leases created by a particular Schedule or Schedules; and

**WHEREAS**, the Trustee has agreed to hold the proceeds corresponding to such Series of Certificates and to disburse such proceeds in accordance with the provisions contained herein and with the Master Lease, and to receive Basic Lease Payments due under the Lease or Leases created by a particular Schedule or Schedules and apply and disburse same in accordance herewith; and

**WHEREAS**, by this Trust Agreement, the Corporation agrees to direct the Governing Board to forward the Basic Lease Payments due under the Lease created by a particular Schedule to the Trustee from and after the execution of the corresponding Assignment Agreement by the Corporation;

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

[Remainder of Page Intentionally Left Blank]

**ARTICLE I**  
**DEFINITIONS AND RULES OF CONSTRUCTION**

**Section 101. Definitions** The terms set forth in this Section shall have the meanings ascribed to them for all purposes of this Trust Agreement unless the context clearly indicates some other meaning, unless otherwise provided in a Supplemental Trust Agreement. Terms used herein and not otherwise defined shall have the meaning given to them in the Master Lease.

"Acquisition Account" shall mean any Acquisition Account established pursuant to Section 401 hereof and in any Supplemental Trust Agreement.

"Act" means Chapter 373, Florida Statutes, as amended, the Florida Water Resources Act of 1972.

"Additional Lease Payment" shall mean any amount payable by the Governing Board under the terms of the Master Lease, other than a Basic Lease Payment or a Supplemental Payment, as set forth in a Schedule to the Master Lease and so designated, and shall include Termination Payments in connection with a Hedge Agreement.

"Assignment Agreement" shall mean any assignment agreement pursuant to which the Corporation shall have assigned to the Trustee all of its right, title and interest in and to a Ground Lease and the Lease or Leases created by one or more particular Schedules, including its right to receive Lease Payments under such Lease or Leases.

"Authorized Corporation Representative" shall mean the President of the Corporation and any person or persons designated by the Corporation and authorized to act on behalf of the Corporation by a written certificate delivered to the Trustee signed on behalf of the Corporation by the Chair of the Board of Directors containing the specimen signature of each such person.

"Authorized Newspaper" shall mean a newspaper containing financial matters, customarily published at least once a day for at least five days (other than legal holidays) in each calendar week, printed in the English language, and of general circulation in the Borough of Manhattan, City and State of New York.

"Authorized Governing Board Representative" shall mean the Chair and any person or persons designated by the Chair and authorized to act on behalf of the Governing Board by a written certificate delivered to the Trustee signed on behalf of the Governing Board by the Chair containing the specimen signature of each such person.

"Basic Lease Payment" shall mean, with respect to each Lease or each Facility financed under such Lease, as of each Lease Payment Date, the amount set forth on the appropriate Schedule of the Master Lease corresponding to such Lease Payment Date and designated as a Basic Lease Payment in such Schedule, and including Hedge Obligations due under a Hedge Agreement entered into by the Governing Board in connection with a Series of Certificates.

"Board of Directors" shall mean the Board of Directors of the Corporation.

"Business Day" shall mean a day other than a Saturday, Sunday or day on which banks in the State of New York or the State of Florida are authorized or required to be closed, or a day on which the New York Stock Exchange is closed.

"Capitalized Interest Account" shall mean any Capitalized Interest Account established pursuant to Section 401 hereof and in any Supplemental Trust Agreement.

"Certificate or Certificates" shall mean the certificates of participation, executed and delivered from time to time by the Trustee pursuant to this Trust Agreement and any Supplemental Trust Agreement. Each Series of Certificates issued under this Trust Agreement and any Supplemental Trust Agreement shall bear a Series designation to identify such Series of Certificates to a particular Schedule to the Master Lease.

"Certificate Holder" or "Holder of Certificates" shall mean the registered owner of any Certificate or Certificates.

"Certificate of Acceptance" shall mean the certificate of the Governing Board substantially in the form of Exhibit C to the Master Lease.

"Chair" shall mean the Chair of the Governing Board and any person or persons designated by the Governing Board and authorized to act on behalf of the Chair.

"Code" means the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder and under the Internal Revenue Code of 1954.

"Continuing Disclosure Certificate" shall mean any Continuing Disclosure Certificate executed and delivered by the Governing Board in connection with the issuance of a Series of Certificates, in order to comply with the requirements of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "Rule").

"Contractor" shall mean the person, firm, corporation or joint venture authorized to do business in Florida with whom a contract has been made directly with the Governing Board for the performance of the work with respect to any Facilities described by the Instructions to Bidders and General Conditions.

"Corporation" shall mean the South Florida Water Management District Leasing Corp., a Florida not-for-profit corporation, its successors and assigns.

"Cost" shall mean costs and expenses related to the acquisition, construction and installation of any Facilities including, but not limited to (i) costs and expenses of the acquisition of the title to or other interest in real property, including leasehold interests, easements, rights-of-way and licenses, including, without limitation, lease payments to be made by the Corporation under the terms of a Ground Lease until the expected acceptance of the Facilities

related thereto as described herein, (ii) costs and expenses incurred for labor and materials and payments to contractors, builders, materialmen and vendors, for the acquisition, construction and installation of the Facilities, (iii) the cost of surety bonds and insurance of all kinds, including premiums and other charges in connection with obtaining title insurance, that may be advisable or necessary prior to completion of any of the Facilities which is not paid by a contractor or otherwise provided for, (iv) the costs and expenses for design, test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, and for supervising construction and installation of Facilities, (v) costs and expenses required for the acquisition and installation of equipment or machinery that comprise part of the Facilities, (vi) all costs which the Governing Board shall be required to pay for or in connection with additions to, and expansions of Facilities, (vii) all costs which the Governing Board shall be required to pay to provide improvements, including offsite improvements, necessary for the use and occupancy of Facilities, including roads, walkways, water, sewer, electric, fire alarms and other utilities, (viii) any sums required to reimburse the Governing Board for advances made by it for any of the above items or for other costs incurred and for work done by it in connection with Facilities, (ix) deposits into any Reserve Account established pursuant to Section 401 of the Trust Agreement and any Supplemental Trust Agreement and any recurring amounts payable to a provider of a Reserve Account Letter of Credit/Insurance Policy, (x) fees, expenses and liabilities of the Governing Board, if any, incurred in connection with the acquisition, construction and installation of Facilities, (xi) Costs of Issuance, and (xii) interest during construction.

"Costs of Issuance" shall mean the items of expense incurred in connection with the authorization, sale and delivery of a Series of Certificates, which items of expense shall include, but not be limited to, document printing and reproduction costs, filing and recording fees, costs of credit ratings, initial fees and charges of the Trustee and any Credit Facility Issuer or any provider of a Reserve Account Letter of Credit/Insurance Policy, legal fees and charges, professional consultants' fees, fees and charges for execution, delivery, transportation and safekeeping of Certificates, premiums, costs and expenses of refunding Certificates and other costs, charges and fees, including those of the Corporation, in connection with the foregoing.

"Costs of Issuance Subaccount" shall mean a Costs of Issuance Subaccount within an Acquisition Account established under Section 401 hereof and in any Supplemental Trust Agreement in connection with the issuance of a Series of Certificates.

"Credit Facility" shall mean, with respect to a Series of Certificates, the letter of credit, insurance policy, guaranty, surety bond or other irrevocable security device, if any, supporting the obligations of the Governing Board to make Basic Lease payments relating to such Certificates.

"Counterparty" shall mean any corporation, partnership, association, joint venture, trust or other entity or organization who enters into a Hedge Agreement with the Governing Board whose senior long-term debt obligations or claims-paying ability, or whose payment obligations, under a Hedge Agreement are guaranteed by an entity whose senior long-term

debt obligations or who has provided collateral such that its claims-paying ability is rated (at the time the Hedge Agreement is entered into) at least as high as Aa3 by Moody's, AA- by S&P or AA- by Fitch.

"Credit Facility" shall mean, with respect to a Series of Certificates, the letter of credit, insurance policy, guaranty, surety bond or other irrevocable security device, if any, supporting the obligations of the Governing Board to make Basic Lease Payments relating to such Series of Certificates.

"Credit Facility Issuer" shall mean, with respect to a Series of Certificates, the issuer of the Credit Facility, if any, for such Series of Certificates.

"Defeasance Securities", except as otherwise provided in a Supplemental Trust Agreement, shall mean cash or Government Obligations.

"District" shall mean the South Florida Water Management District, an agency of the State of Florida, created, existing and operating in accordance with the provisions of the Act.

"Event of Extraordinary Prepayment" shall mean one or more of the events so designated in Section 7.2 of the Master Lease.

"Excess Earnings" shall mean, with respect to each Series of Certificates, the amount by which the earnings on the Gross Proceeds of such Certificates exceeds the amount which would have been earned thereon if such Gross Proceeds were invested at a yield equal to the yield on the interest portion of the Basic Lease Payments represented by such Certificates, as such yield is determined in accordance with the Code and amounts earned on the investment of earnings on the Gross Proceeds of such Certificates.

"Facility" or "Facilities" shall mean real property, if any, structures and improvements, and the equipment, fixtures and furnishings which may be built, installed or established on such real property, if any, and all appurtenances thereto and interests therein, all as set forth on a Schedule or Schedules from time to time to be acquired from the proceeds of a Series of Certificates.

"Facility Site" shall mean the real property (together with all structures, fixtures, and improvements erected or situated thereon, any easements or other rights or privileges in adjoining property inuring to the fee simple owner of such land by reason of ownership of such land, and all fixtures, additions, alterations or replacements located on, or used in connection with, or attached or made to, such land) either (i) owned by the Governing Board at the time of the issuance of a Series of Certificates to finance Facilities relating thereto, (ii) to be acquired by the Governing Board with the proceeds of such Series of Certificates, upon which a Facility is to be located within the District and more particularly described in a Ground Lease, or (iii) owned by or co-owned with another governmental entity.

"Fiscal Year" shall mean the twelve month fiscal period of the Governing Board which under current law commences on October 1 in every year and ends on September 30 of the succeeding year.

"Governing Board" shall mean the governing body of the District.

"Government Obligations" shall mean any obligations which as to both principal and interest constitute non-callable direct obligations of, or non-callable obligations fully and unconditionally guaranteed by, the full faith and credit of the United States of America, including bonds or other evidences of indebtedness issued or guaranteed by any agency or corporation which has been or may hereafter be created pursuant to an Act of Congress as an agency or instrumentality of the United States of America to the extent unconditionally guaranteed by the full faith and credit of the United States of America.

"Gross Proceeds" shall mean, with respect to each Series of Certificates, unless inconsistent with the provisions of the Code, in which case as provided in the Code, (i) amounts received by or on behalf of the Corporation from the sale of such Certificates; (ii) amounts received as a result of investments of amounts described in (i); (iii) amounts treated as transferred proceeds of such Certificates in accordance with the Code; (iv) amounts treated as proceeds under the provisions of the Code relating to invested sinking funds; (v) securities or obligations pledged, if any, as security for payment of Basic Lease Payments under the Master Lease; (vi) amounts received with respect to obligations acquired with Gross Proceeds; (vii) amounts used to pay principal and interest portions of the Basic Lease Payments represented by such Certificates; (viii) amounts in any Reserve Account established pursuant to Section 401 of this Trust Agreement and in any Supplemental Trust Agreement; and (ix) amounts received as a result of the investment of Gross Proceeds not described in (i) above.

"Ground Lease" shall mean one or more ground leases or sub-ground leases between the Governing Board and the Corporation, as amended and supplemented from time to time, pursuant to which the Governing Board shall ground lease and/or sub-ground lease one or more Facility Sites to the Corporation.

"Hedge Agreement" shall mean an interest rate exchange agreement, an interest rate swap agreement, a forward purchase contract, a put option contract, a call option contract or another financial product which is used by the Governing Board as a hedging device with respect to its obligation to pay the interest portion of Basic Lease Payments, represented by Series of Certificates, entered into between the Governing Board and a Counterparty.

"Hedge Obligations" shall mean net payments, excluding non-periodic Termination Payments or similar fees or penalties, required to be made by the Governing Board under a Hedge Agreement from time to time as a result of fluctuation in hedged interest rates, or fluctuation in the value of any index of payment.

"Hedge Receipts" shall mean net payments received by the Governing Board from a Counterparty under a Hedge Agreement.

"Instructions to Bidders and General Conditions" shall mean the Instructions to Bidders and General Conditions of the Governing Board as in effect from time to time.

"Investment Agreement" shall mean an agreement for the investment of moneys entered into by the Trustee with a Qualified Financial Institution whether such agreement is in the form of an interest-bearing time deposit, repurchase agreement or any similar arrangement and any note delivered by a Qualified Financial Institution pursuant to such agreement, which agreement shall have been approved by the Credit Facility Issuer insuring the Series of Certificates relating to the moneys invested.

"Investment Securities" except as otherwise provided in a Supplemental Trust Agreement, shall mean any of the following Securities, if and to the extent the same are at the time legal under State law for investment of the Governing Board's funds:

(a) Cash (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in paragraph (b) below).

(b) Guaranteed direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America.

(c) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:

- Export-Import Bank
- Farm Credit System Financial Assistance Corporation
- Farmers Home Administration
- General Services Administration - U.S. Maritime Administration
- Small Business Administration
- Government National Mortgage Association (GNMA)
- U.S. Department of Housing & Urban Development (PHA's)
- Federal Housing Administration
- Federal National Mortgage Association
- Federal Home Loan Bank

- Federal Home Loan Mortgage Corporation
- Student Loan Marketing Association

(d) Senior debt obligations rated in the highest rating category by either S&P, Moody's or Fitch issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, and other senior debt obligations of other government-sponsored agencies approved by the Credit Facility Issuer insuring the Series of Certificates relating to the moneys invested.

(e) U.S. dollar denominated deposit accounts, federal (funds and banker's acceptances with domestic commercial banks (including the Trustee and any of its affiliates) which have a rating on their short-term certificates of deposit on the date of purchase of "A-1" or "A-1+" by S&P and "P-1" by Moody's and maturing no more than 360 days after the date of purchase.

(f) Commercial paper which at the time of purchase is rated in the highest rating category by either S&P, Moody's or Fitch.

(g) Investments in a money market fund rated "AAAm" or "AAm-G" or better by S&P.

(h) Direct and general obligations of any state of the United States, to the payment of the principal of and interest on which the full faith and credit of such state is pledged, if at the time of their purchase such obligations are rated in either of the two highest rating categories by either S&P, Moody's or Fitch.

(i) Unsecured investment agreements from banks, registered broker/dealers, or other financial institutions, who have a long-term debt rating, or whose parent has a long-term debt rating, without regard to qualifier, in the two highest rating categories by a major rating service provided however that in the event the provider of the agreement is downgraded to below the "A" category by all the rating services, the provider must within 14 business days from the downgrade either; collateralize the agreement as outlined in (j), obtain a guaranty from a financial institution whose rating is at least "A" by a major rating agency, and assign the agreement to a financial institution whose rating is at least "A" by a major agency.

(j) Collateralized investment agreements (including repurchase agreements), provided by a registered broker/dealer, subject to SIPC, collateralized by obligations described in (c) and (h) such that the value of the collateral pledged is not less than 102% of the principal balance, marked to market not less frequently than weekly. Collateral must be held by an independent third party custodian.

(k) Obligations or funds permitted under the Laws of the State for investing by the Governing Board in trust with the State Board of Administration pursuant to Chapter 215,

Florida Statutes.

(l) Forward purchase agreements by a financial institution which have a long-term debt rating, or whose parent has a long-term debt rating, of not less than A by a major rating agency. Securities eligible for delivery under such agreements will include those described in (c), (f), (h) and (j). Any forward purchase agreement must be accompanied by a bankruptcy opinion of counsel that the securities delivered will not be considered a part of the bankruptcy estate in the event of a declaration of bankruptcy or insolvency by the provider.

(m) Any other investment agreed to in writing by the Credit Facility Issuer insuring the Series of Certificates relating to the moneys invested.

"Lease" shall mean, collectively, the Master Lease and, individually, each separate Schedule to the Master Lease executed and delivered by the Governing Board and the Corporation.

"Lease Payment Account" shall mean any Lease Payment Account established pursuant to Section 401 hereof and in any Supplemental Trust Agreement.

"Lease Payment Date" shall mean, with respect to a Lease, each date set forth on the corresponding Schedule designated as a Lease Payment Date for such Lease.

"Lease Payments" shall mean, with respect to each Lease, all amounts payable by the Governing Board pursuant to the terms of a Lease including Basic Lease Payments, Additional Lease Payments and Supplemental Payments.

"Lease Term" shall mean, with respect to each Lease, the period from the date of a Lease through the end of the then current Fiscal Year, plus each annual or lesser renewal period thereafter occurring which such Lease is maintained in effect in accordance therewith, with the maximum number of renewals being specified in the Schedule corresponding to such Lease.

"Master Lease" shall mean the Master Lease Purchase Agreement dated as of \_\_\_\_\_, between the Corporation and the Governing Board and any and all modifications, alterations, amendments and supplements thereto.

"Net Proceeds" shall mean, with respect to one or more Facilities financed under a Lease, proceeds from any insurance, condemnation, performance bond, Federal or State flood disaster assistance or any other financial guaranty (other than a Credit Facility Issuer) paid with respect to such Facilities remaining after payment therefrom of all expenses, including attorneys' fees, incurred in the collection thereof; and, with respect to insurance, to the extent that the Governing Board elects to self-insure under Section 5.3 of the Master Lease, any moneys payable from any appropriation made by the Governing Board in connection with such self-insurance.

"Notice by Mail" shall mean a written notice meeting the requirements of this Trust Agreement mailed by first-class mail to the Certificate Holders, at the addresses shown on the register maintained by the Trustee.

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

"Outstanding" when used with reference to the Certificates, shall mean, as of any date, Certificates theretofore or thereupon being authenticated and delivered under this Trust Agreement except

(i) Certificates canceled by, or duly surrendered for cancellation to, the Trustee at or prior to such date;

(ii) Certificates (or portions of Certificates) for the payment or prepayment of which moneys, equal to the principal portion or Prepayment Price thereof, as the case may be, with interest to the date of maturity or Prepayment Date, shall be held in trust under this Trust Agreement and set aside for such payment, or prepayment, (whether at or prior to the maturity or Prepayment Date), provided that if such Certificates (or portions of Certificates) are to be prepaid, notice of such prepayment shall have been given as provided in Article III of this Trust Agreement;

(iii) Certificates in lieu of or in substitution for which other Certificates shall have been executed and delivered pursuant to Article III hereof; and

(iv) Certificates deemed to have been paid as provided in subsection (b) of Section 801 hereof.

"Payment Date" shall mean a date on which the principal portion or the interest portion of Basic Lease Payments is scheduled to be paid to Certificate Holders pursuant to the terms such Certificates.

"Prepayment Account" shall mean any Prepayment Account established pursuant to Section 401 hereof and in any Supplemental Trust Agreement.

"Prepayment Date" shall mean the date on which optional prepayment, extraordinary prepayment or mandatory sinking fund prepayment of Basic Lease Payments represented by a Series of Certificates Outstanding shall be made pursuant to Section 312 hereof or pursuant to any Supplemental Trust Agreement.

"Prepayment Price" shall mean, with respect to any Certificate, the principal amount thereof (together with the premium, if any, applicable upon an optional prepayment) payable upon prepayment thereof pursuant to such Certificate and this Trust Agreement or any

Supplemental Trust Agreement, together with accrued interest represented by such Certificate to the Prepayment Date.

"Project" shall mean the lease-purchase financing or refinancing of the acquisition, installation or construction the Facilities or Facility Sites set forth on a particular Schedule and, if all or a portion of such Facilities shall be comprised of real property, the ground leasing and/or sub-ground leasing of the related Facility Site by the Governing Board to the Corporation, as applicable, and the subleasing of such Facility Site back to the Governing Board.

"Project Fund" shall mean the trust fund designated as the "Project Fund" created and established in Section 401 hereof.

"Purchase Option Price" shall mean, with respect to any Facility financed under a Lease, as of each Lease Payment Date, the Basic Lease Payment then due plus the amount so designated and set forth on the Schedule for such Facility as the remaining principal portion of the Purchase Option Price minus any credits pursuant to the provisions of Section 3.2 of the Master Lease, plus, an amount equal to the interest to accrue with respect to the Certificates to be prepaid as a result of the release of such Facility from the Lease, from such Lease Payment Date to the next available date for prepaying such Certificates, unless such prepayment shall occur on such Lease Payment Date, plus an amount equal to a pro-rata portion of any Additional Lease Payments and Supplemental Payments then due and owing under the Lease relating to such Facility, including any prepayment premiums payable on the Certificates prepaid.

"Qualified Financial Institution" shall mean a bank, trust company, national banking association or a corporation subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or the Federal National Mortgage Association or any insurance company or other corporation (i) whose unsecured obligations or uncollateralized long-term debt obligations have been assigned a rating by a Rating Agency which is not lower than AA/Aa, or which has issued a letter of credit, contract, agreement or surety bond in support of debt obligations which have been so rated; or (ii) which collateralizes its obligations at all times at levels in compliance with the requirements of the Rating Agencies for ratings not lower than AA/Aa.

"Rating Agency" shall mean each of Standard & Poor's Ratings Services ("S&P"), Moody's Investors Service, Inc. ("Moody's"), Fitch Ratings ("Fitch") and any other nationally recognized rating service acceptable to the Credit Facility Issuer insuring the related series of Certificates which shall have provided a rating on any Outstanding Certificates.

"Reimbursement Agreement" shall mean, with respect to each Lease, any reimbursement agreement among the Corporation, the Governing Board and any Credit Facility Issuer.

"Reserve Account" shall mean any Reserve Account established pursuant to Section 405 hereof and in any Supplemental Trust Agreement.

"Reserve Account Letter of Credit/Insurance Policy" shall mean the irrevocable letter or line of credit, insurance policy, surety bond or guarantee agreement issued by a Qualified Financial Institution in favor of the Trustee which is to be deposited into a Reserve Account in order to fulfill the Reserve Account Requirement relating thereto.

"Reserve Account Requirement" shall mean, in regard to a Reserve Account to secure a Series of Certificates, such amounts, if any, as shall be provided in the Supplemental Trust Agreement authorizing the issuance of such Series and in the Schedule relating thereto, provided such Reserve Account Requirement shall not exceed the least of (i) the maximum annual amount of Basic Lease Payments represented by Certificates of the Series secured by such Reserve Account in the current or any subsequent Fiscal Year, (ii) 125% of the average annual amount of Basic Lease Payments represented by Certificates of the Series secured by such Reserve Account in the current or any subsequent Fiscal Years, and (iii) 10% of the stated principal amount of such Series of Certificates.

"Schedule" shall mean a schedule, as amended and supplemented from time to time, to this Master Lease to be executed and delivered by the Governing Board and the Corporation for each Project, substantially in the form of Exhibit B to the Master Lease.

"Series" or "Series of Certificates" shall mean the aggregate amount of each series of Certificates evidencing an undivided proportionate interest of the owners thereof in a particular Lease and the Basic Lease Payments thereunder, issued pursuant to this Trust Agreement or a Supplemental Trust Agreement.

"Special Tax Counsel" shall mean shall mean Bryant Miller Olive P.A., Orlando, Florida, or any other attorney at law or firm of attorneys, of nationally recognized standing in matters pertaining to the exclusion from gross income for federal income tax purposes of the interest on obligations issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States of America.

"State" shall mean the State of Florida.

"Supplemental Payments" shall mean all amounts due under a Lease other than Basic Lease Payments and Additional Lease Payments.

"Supplemental Trust Agreement" shall mean any agreement supplemental or amendatory of this Trust Agreement.

"Taxable Certificates" means Certificates for which the Interest Component of the Basic Lease Payments relating thereto shall be includable in gross income for purposes of federal income taxation.

"Termination Payments" shall mean all non-periodic payments or penalties or fees in connection with a Hedge Agreement and shall not include Hedge Obligations.

"Trust Agreement" shall mean, collectively, this Master Trust Agreement dated as of \_\_\_\_\_ entered into by and between the Corporation and the Trustee, and any Supplemental Trust Agreement.

"Trust Estate" shall mean all estate, right, title and interest of the Trustee in and to (a) the Basic Lease Payments, the Master Lease, the Leases and each Assignment Agreement, and (b) (i) all amounts from time to time deposited in the funds and accounts created pursuant to this Trust Agreement and any Supplemental Trust Agreement in accordance with the provisions of the Master Lease, the Leases and this Trust Agreement, including investment earnings thereon; and (ii) any and all monies received by the Trustee pursuant to the provisions hereof and not required to be remitted to the Governing Board pursuant to the Master Lease or this Trust Agreement.

"Trustee" shall mean \_\_\_\_\_, and its successors or assigns which may at any time be substituted in its place pursuant to the provisions hereof.

**Section 102. Rules of Construction.** Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies as well as natural persons.

The terms "hereby", "hereof", "hereto", "herein", "hereunder" and any similar terms, as used in this Trust Agreement, refer to this Trust Agreement.

**Section 103. Exhibits.** The following Exhibits are attached hereto and by this reference made a part of this Trust Agreement:

- Exhibit A. FORM OF CERTIFICATE
- Exhibit B. FORM OF REQUISITION
- Exhibit C. FORM OF REQUISITION (COSTS OF ISSUANCE)

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ARTICLE II  
ASSIGNMENT; DECLARATION OF TRUST;  
REPRESENTATIONS

**Section 201. Assignment Agreements.** The Corporation shall assign and transfer to the Trustee its rights under each Ground Lease and each Lease pursuant to and to the extent described in the corresponding Assignment Agreement, and in consideration of such assignment and the execution of this Trust Agreement, the Trustee shall authenticate, execute and deliver each Series of Certificates, evidencing an undivided proportionate interest of the Certificate Holders in Basic Lease Payments under the corresponding Lease.

**Section 202. Declaration of Trust by Trustee.** The Trustee hereby declares that it holds and will hold the Trust Estate conferred on it by the Corporation hereunder upon the trusts and apply the amounts as hereinafter set forth for the use and benefit of the Certificate Holders, as more particularly set forth in Section 305 hereof.

**Section 203. Representations.** In the Master Lease, the Governing Board has agreed to acquire, construct and install the Facilities as agent for the Corporation pursuant to specifications prepared by the Governing Board and that the Governing Board will be responsible for the letting of contracts for the acquisition, construction and installation of the Facilities and supervising the acquisition, construction and installation of the Facilities.

**Section 204. Description and Estimated Costs of the Facilities.** The description of the Facilities to be acquired, constructed and installed and leased by the Governing Board from the Corporation pursuant to the Master Lease and each Schedule and the estimated Costs of such Facilities shall be set forth in the related Schedule to the Master Lease.

**Section 205. Conditions Precedent Satisfied.** Each party hereto, represents with respect to itself that all acts, conditions and things required by law to exist, happen and be performed precedent to and in connection with the execution and delivery of this Trust Agreement have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto each represents as to itself that it is now duly empowered to execute and deliver this Trust Agreement.

ARTICLE III  
CERTIFICATES; TERMS AND PROVISIONS

**Section 301. Authorization of Certificates.**

(a) The total aggregate principal amount of Certificates which may be issued under this Trust Agreement shall not be limited except as otherwise provided herein. The aggregate principal amount of Certificates of each Series which may be issued, executed and delivered under this Trust Agreement is not limited except as set forth in the Supplemental Trust

Agreement creating such Series.

(b) The Certificates issuable under this Trust Agreement shall be issued in such Series as may from time to time be created in connection with one or more Leases. Each Series shall be designated "Certificates of Participation, Series \_\_\_\_\_, Evidencing an Undivided Proportionate Interest of the Owners thereof in Basic Lease Payments to be Made by the Governing Board of the South Florida Water Management District, as Lessee, Pursuant to a Master Lease Purchase Agreement with South Florida Water Management District Leasing Corp., as Lessor." The Certificates may, if and when authorized by this Trust Agreement, be designated with such further appropriate particular designations added to or incorporated in such title for the Certificates of any particular Series as the Board may determine and as may be necessary to distinguish such Certificates from the Certificates of any other Series.

(c) Pursuant to Section 7.4 of the Master Lease, the Trustee, at the direction of the Corporation, shall issue one or more Series of refunding Certificates under a Supplemental Trust Agreement for the purpose of providing for the payment of all or a portion of Outstanding Series of Certificates, the funding of a Reserve Account, if any, and the payment of the Costs of Issuance in connection with such Series of refunding Certificates.

**Section 302. Execution and Delivery of Certificates.** Each Series of Certificates shall be authorized by the Corporation at the request of the Governing Board and executed and delivered by the Trustee for the purpose of (a) financing and refinancing the cost of acquisition, construction and equipping of any Facilities or Facility Sites, (b) financing the cost of completing the acquisition, construction, installation and equipping of any Facilities, (c) financing the cost of increasing, improving, modifying, expanding or replacing any Facilities, (d) paying or providing for the payment of the principal portion and interest portion of the Basic Lease Payments with respect to, or the Purchase Option Price of, all or a portion of the Facilities financed from the proceeds of any Series of Certificates theretofore executed and delivered, (e) funding a Reserve Account in an amount equal to the Reserve Account Requirement applicable thereto, (f) capitalizing the interest portion of Basic Lease Payments during construction and (g) paying the Costs of Issuance applicable thereto.

Each Series of Certificates shall be substantially in the form set forth in Exhibit A hereto, with such appropriate variations, omissions and insertions as necessary to conform to the provisions of this Trust Agreement, including any use of a book-entry-only system as described in Section 317 hereof. All Certificates may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or of any securities exchange on which the Certificates may be listed or any usage or requirement of law with respect thereto.

**Section 303. Terms of Series of Certificates.** Certificates may be executed and delivered at any time and from time to time in one or more Series, upon such terms and conditions as may then be permitted by law and as shall be determined by the Corporation and

provided in the respective Supplemental Trust Agreement under which such Series of Certificates are authorized. Certificates of any Series:

(a) shall be dated, shall bear interest at such fixed or variable rates and interest rate modes, and shall be payable and mature in such amounts and at such time or times, as may be provided in the Supplemental Trust Agreement creating such Series of Certificates;

(b) shall be payable, as to the principal portion, Prepayment Price, if any, and interest portion of such Series of Certificates, at such place or places in lawful money of the United States of America and may have such registration privileges and such exchange privileges as may be provided in the Supplemental Trust Agreement creating such Series of Certificates and allowable under then existing law;

(c) shall have such particular designations added to their title, and shall be in such form and denominations, as provided in the Supplemental Trust Agreement creating such Series of Certificates;

(d) shall be limited as to the maximum principal amount thereof which may be delivered by the Trustee or which may be at any time Outstanding, as provided in the Supplemental Trust Agreement creating such Series of Certificates;

(e) may contain provisions for the prepayment thereof at such Prepayment Price or Prices, at such time or times, upon such notice, in such manner, and upon such other terms and conditions, not inconsistent with the provisions hereof and the terms of the Master Lease, as may be provided in the Supplemental Trust Agreement creating such Series of Certificates;

(f) may have provisions requiring mandatory payments for the purchase and sinking fund prepayment of such Series of Certificates, in such amounts, at such time or times, upon such notice, in such manner, and upon such other terms and conditions, not inconsistent with the provisions hereof and the terms of the Master Lease as shall be set forth in such Supplemental Trust Agreement;

(g) may contain such other provisions and such other special terms and conditions, not contrary to the provisions hereof, as may be provided in such Supplemental Trust Agreement;

(h) shall be payable from and secured by the Trust Estate, but solely to the extent provided in and subject to the limitations of Section 305 hereof.

**Section 304. Conditions Precedent to Delivery of a Series of Certificates.** The Trustee shall execute and deliver one or more Series of Certificates for the purposes set forth in Section 302 hereof to the purchaser or purchasers thereof as requested and authorized by the Corporation in accordance with the provisions of this Section 304.

Prior to the delivery by the Trustee of any Series of Certificates there shall have been received by the Trustee:

(a) A Supplemental Trust Agreement providing for the terms and conditions upon which they shall be executed and delivered by the Trustee;

(b) An executed counterpart of a corresponding Schedule to the Master Lease (or amended Schedule in the case of Certificates issued for the purposes as described in Section 302(b) and (d) above) effective on or before the date of execution and delivery of such Series of Certificates, providing for (i) Lease Payments payable under such Schedule at least equal to the principal portion of, Prepayment Price, if any, and interest portion represented by such Series of Certificates, and (ii) the disposition of the proceeds of the sale of such Series of Certificates, including the acquisition, construction, equipping or improvement of the Facilities to be financed from the proceeds of such Series of Certificates or the payment or refunding of the Series of Certificates to be paid or refunded;

(c) An executed counterpart of an Assignment Agreement, effective on or before the date of execution and delivery of such Series of Certificates, assigning and transferring to the Trustee substantially all of the rights of the Corporation under the Lease relating to such Series of Certificates, except for the provisions with respect to release and indemnity of the Corporation and the right of the Corporation to hold title to various Facilities and to receive notices under the Master Lease;

(d) One or more opinions of Special Tax Counsel to the effect that (i) the Certificates evidence undivided proportionate interests of the owners thereof in Basic Lease Payments to be made by the Governing Board pursuant to the corresponding Lease and (ii) the interest portion of the Basic Lease Payments represented by the Series of Certificates (other than Taxable Certificates) being issued is excludable from gross income for federal income tax purposes, and, in the case of refunding Certificates, that the exclusion from gross income for federal income tax purposes of the interest portion of the Basic Lease Payments represented by the Certificates (other than Taxable Certificates) being refunded will not be adversely affected by the issuance of the refunding Certificates being issued;

(e) A written order to the Trustee by an Authorized Corporation Representative to authenticate, execute and deliver the Series of Certificates to the purchaser or purchasers therein identified upon payment to the Trustee of a specified sum;

(f) Certified copies of resolutions of the Corporation and the Governing Board authorizing the issuance of such Series of Certificates;

(g) Such other documents and opinions as may be provided for in the Supplemental Trust Agreement referred to in subparagraph (a) hereof, including one or more Ground Leases (or amended Ground Leases in the case of Certificates issued for the purposes described in Section 302(b) above), or as may be required under Section 6.1 of the Master

Lease;

(h) One or more Opinions of Counsel in form and substance satisfactory to each Credit Facility Issuer to the effect that the issuance of such Series of Certificates for the purposes set forth in Section 302 is authorized by law, and the execution and delivery thereof and of the other documents described in this Section have been duly authorized by the Governing Board and the Corporation, all conditions precedent to the delivery thereof have been fulfilled and to the further effect that the execution of the Supplemental Trust Agreement is authorized or permitted hereunder; and

(i) A certificate signed by an Authorized Corporation Representative to the effect that the Master Lease is in effect and to its knowledge there are no defaults at the time of issuance of the Series of Certificates under any Lease, Ground Lease, this Trust Agreement or any Supplemental Trust Agreement.

The proceeds of such Series of Certificates shall be held and disbursed as provided in the Supplemental Trust Agreement providing for such Series of Certificates. The Trustee shall execute and deliver such Series of Certificates to the purchaser or purchasers thereof as directed and authorized in writing by an Authorized Corporation Representative.

**Section 305. Payments from Trust Estate Only; Distribution of Trust Estate.**

(a) Unless otherwise set forth in a Supplemental Trust Agreement, each Certificate within a Series of Certificates executed and delivered pursuant to this Section shall rank *pari passu* and be equally and ratably secured under this Trust Agreement with each other Certificate of such Series, but not with any Certificates of any other Series issued pursuant to this Trust Agreement and Outstanding, without preference, priority or distinction of any such Certificate over any other such Certificate, except that to the extent that Basic Lease Payments available for Payment to all Certificate Holders are less than all amounts owed with respect to all Series of Certificates on any Payment Date, such amounts available shall be applied on a pro-rata basis to Certificate Holders of all Series in accordance with the ratio that the principal balance due on each Series of Certificates Outstanding on such Payment Date bears to the total principal balance due on all Certificates Outstanding under this Trust Agreement on such Payment Date.

(b) Except as otherwise expressly provided in the immediately preceding paragraph and elsewhere herein, all amounts payable by the Trustee with respect to a Series of Certificates or to any Credit Facility Issuer who shall have issued a Credit Facility, if any, securing such Series pursuant to this Trust Agreement shall be paid only from the portion of the Trust Estate derived from Basic Lease Payments made pursuant to the Schedule corresponding to such Series and only to the extent that the Trustee shall have actually received sufficient income or proceeds from such portion of the Trust Estate to make such payments. Each Certificate Holder agrees, and each such Credit Facility Issuer, by its execution and delivery of the Credit Facility shall be deemed to have agreed, except as

otherwise expressly provided herein, to look solely to the income of and the proceeds from such portion of the Trust Estate to the extent available for distribution to such Holder and each such Credit Facility Issuer as herein provided and that the Trustee is not personally liable to any Certificate Holder or any such Credit Facility Issuer for any amounts payable under this Trust Agreement or subject to any liability under this Trust Agreement except liability under this Trust Agreement as a result of negligence or willful misconduct by the Trustee.

(c) So long as the Master Lease or related Ground Leases shall be in effect, all amounts of Lease Payments, insurance proceeds, indemnity payments and other payments of any kind constituting a part of the Trust Estate payable under this Trust Agreement or the Lease corresponding to such Series of Certificates to the Trustee shall be paid directly to the Trustee for distribution, in accordance with Articles III, V, VI and VII of this Trust Agreement, to or for the Certificate Holders or the related Credit Facility Issuer, as the case may be.

**Section 306. Execution.**

The Certificates shall be executed in the name of, and by, the Trustee, solely as trustee under the Trust Agreement and not in its individual capacity, by the manual signature of any authorized signatory of the Trustee.

**Section 307. Negotiability, Transfer and Registration.**

(a) The Trustee shall maintain, at its designated corporate trust office, a register of the names and addresses of all Certificate Holders as of any particular time, and the Trustee shall, upon request of the Governing Board, furnish such information to the Governing Board.

(b) Each Certificate shall be transferable only upon the register maintained by the Trustee, by the Certificate Holder in person or by his/her attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the Certificate Holder or his/her attorney duly authorized in writing. Upon the registration of transfer of any such Certificate, the Trustee shall deliver in the name of the transferee a new Certificate or Certificates of the same series, aggregate principal amount and maturity as the surrendered Certificate.

(c) The person in whose name any Certificate shall be registered upon the books of the Trustee shall be treated as the absolute owner of such Certificate, whether such Certificate shall be overdue or not, for the purpose of receiving payment of or on account of, the principal portion or Prepayment Price, if applicable, and interest portion represented by such Certificate and for all other purposes, and all such payments so made to any such Certificate Holder or upon his/her order shall be valid and effectual to satisfy and discharge the liability upon such Certificate to the extent of the sum or sums so paid, and the Trustee, the Corporation and the Governing Board shall not be affected by any notice to the contrary.

(d) Certificates, upon surrender thereof at the designated corporate trust office of the Trustee, together with an assignment duly executed by the Certificate Holder or his attorney or legal representative in such form as shall be satisfactory to the Trustee, may, at the option of the Certificate Holder thereof and upon payment by such Certificate Holder of any charges which the Trustee may make as provided in Section 308 hereof, be exchanged for an equal aggregate principal amount of Certificates of the same maturity and series, of any denomination or denominations authorized by this Trust Agreement, representing interest at the same rate, and in the same form as the Certificates surrendered for exchange.

(e) Upon the occurrence and continuance of an Event of Default which requires a Credit Facility Issuer to make payments under a Credit Facility, the Credit Facility Issuer and its designated agent shall be provided with access to inspect and copy the register of the Series of Certificate Holders insured by its Credit Facility.

**Section 308. Regulations With Respect to Exchanges and Transfers.** In all cases in which the privilege of exchanging Certificates or registering the transfer of Certificates is exercised, the Trustee shall execute and deliver Certificates in accordance with the provisions of this Trust Agreement. All Certificates surrendered in any such exchanges or registrations of transfer shall forthwith be canceled by the Trustee. For every such exchange or registration of transfer of Certificates, whether temporary or definitive, the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or registration of transfer. The Trustee shall not be required (a) to register the transfer of or exchange Certificates for a period of fifteen (15) days preceding any Payment Date until such Payment Date, or for a period of fifteen (15) days preceding any selection of Certificates to be prepaid until after the mailing of any notice of prepayment; or (b) to register the transfer of or exchange any Certificates called for prepayment.

**Section 309. Certificates Mutilated, Destroyed, Stolen or Lost.** In case any Certificates shall become mutilated or be destroyed, stolen or lost, the Trustee shall execute and deliver a new Certificate of the same series and of like maturity and principal amount as the Certificate so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Certificate, or in lieu of and substitution for the Certificate destroyed, stolen or lost, upon surrender of such mutilated Certificate or filing with the Trustee of evidence satisfactory to the Trustee that such Certificate has been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the Trustee with indemnity satisfactory to the Trustee and complying with such other reasonable regulations as the Trustee may prescribe and paying such expenses as the Trustee may incur. All Certificates so surrendered to the Trustee shall be canceled by it. Any such new Certificates executed and delivered pursuant to this Section in substitution for Certificates alleged to be destroyed, stolen or lost shall be equally secured by and entitled to equal and proportionate benefits, with all other Certificates delivered under the Trust Agreement and Outstanding.

**Section 310. Temporary Certificates.** Until the definitive Certificates are prepared, the Trustee may execute and deliver, in the same manner as is provided in Section 306, in lieu of

definitive Certificates, one or more temporary Certificates of the same series and substantially of the tenor of the definitive Certificates in lieu of which such temporary Certificate or Certificates are issued, in denominations of \$5,000 or any multiples thereof, and with such omissions, insertions and variations as may be appropriate for temporary Certificates. The Trustee, at the expense and direction of the Governing Board, shall prepare and execute and, upon the surrender of such temporary Certificates, and the cancellation of such surrendered temporary Certificates, the Trustee shall without charge to the Holder thereof, in exchange therefor, deliver definitive Certificates of the same series, of the same aggregate principal amount and maturity as the temporary Certificates surrendered. Until so exchanged, the temporary Certificates shall in all respects be entitled to the same benefits and security as definitive Certificates of the same series executed and delivered pursuant to the Trust Agreement.

**Section 311. Privilege of Prepayment and Prepayment Price.** Certificates subject to prepayment prior to maturity pursuant to this Trust Agreement may be prepaid, upon notice given as provided in this Article III, at such times, at such Prepayment Prices and upon such terms as specified in this Article III or in the Supplemental Trust Agreement authorizing the issuance of such Certificate.

**Section 312. Prepayment.** Whenever by the terms of this Trust Agreement or any Supplemental Trust Agreement the Certificates are required to be prepaid, the Trustee shall select the Certificates to be prepaid in accordance with the provisions of Section 313 hereof. The Trustee shall select a Prepayment Date, and immediately give the notice of prepayment and pay the Prepayment Price thereof, plus interest accrued and unpaid to the Prepayment Date, in accordance with the terms of this Article III.

**Section 313. Selection of Certificates to be Prepaid.** If less than all of the Certificates of a Series shall be called for prepayment, the particular Certificates or portions of Certificates to be prepaid shall be in multiples of \$5,000 and, except as otherwise provided in a Supplemental Trust Agreement, such Certificates or portions of Certificates shall be prepaid in such order of maturity as shall be designated by the Governing Board. If less than all of the Certificates of like maturity shall be called for prepayment, the particular Certificates or portions thereof to be prepaid shall be selected by lot by the Trustee in such manner as the Trustee shall deem fair and appropriate. The portion of any Certificate of a denomination of more than \$5,000 to be prepaid shall be in the principal amount of \$5,000 or an integral multiple thereof, and, in selecting portions of such Certificates for prepayment, the Trustee shall treat each such Certificate as representing that number of Certificates of \$5,000 denomination which is obtained by dividing the principal amount of such Certificate to be prepaid in part by \$5,000.

**Section 314. Notice of Prepayment.** When prepayment of Certificates is required pursuant to Section 312 hereof, the Trustee shall give notice of the prepayment of such Certificates, which notice shall specify the maturities of the Certificates to be prepaid, the CUSIP numbers (which shall be for informational purposes only and shall not affect the validity of such notice), the Prepayment Date and the place or places where amounts due upon such

prepayment will be payable and, if less than all of the Certificates of a Series are to be prepaid, the letters and numbers or other distinguishing marks of such Certificates to be prepaid, and, in the case of Certificates to be prepaid in part only, such notice shall also specify the respective portions of the principal amounts thereof to be prepaid. Such notice shall further state that on such date there shall become due and payable with respect to each Certificate to be prepaid the Prepayment Price thereof, or the Prepayment Price of the specified portions of the principal thereof to be prepaid in part only, together with interest accrued to the Prepayment Date, and that from and after such date interest thereon shall cease to accrue and be payable. The Trustee shall mail a copy of such notice, postage prepaid, not less than 30 days before the Prepayment Date in the case of optional prepayment, extraordinary prepayment resulting from damage, destruction or condemnation of Facilities or mandatory sinking fund prepayment, and not less than 5 days nor more than 10 days before the Prepayment Date in the case of extraordinary prepayment resulting from termination of all Leases as a result of nonappropriation or default by the Governing Board, to the Holders of any Certificates or portions of Certificates which are to be prepaid, at their last addresses appearing upon the registry books, but any defect in the notice to a particular Certificate Holder shall not affect the validity of the proceedings for the prepayment of other Certificates.

Conditional Notice of Prepayment. In the case of an optional prepayment of any Certificate, the notice of prepayment may state that (1) it is conditioned upon the deposit of moneys in the Prepayment Account or with an escrow agent under an escrow deposit agreement, in amounts necessary to effect the prepayment, no later than the Prepayment Date or (2) the Trustee, at the direction of the Governing Board, retains the right to rescind such notice on or prior to the scheduled prepayment date (in either case, a "Conditional Prepayment"), and such notice and optional prepayment shall be of no effect if such moneys are not so deposited or if the notice is rescinded as described in this subsection. Any such notice of Conditional Prepayment shall be captioned "Conditional Notice of Prepayment." Any Conditional Prepayment may be rescinded at any time prior to the Prepayment Date if the Governing Board delivers a written direction to the Trustee directing the Trustee to rescind the prepayment notice. The Trustee shall give prompt notice of such rescission to the affected Certificate Holders. Certificates subject to Conditional Prepayment where prepayment has been rescinded shall remain Outstanding, and neither the rescission nor the failure by the Governing Board to make such funds available shall constitute an Event of Default. The Trustee shall give immediate notice to the securities information repositories and the affected Certificate Holders that the prepayment did not occur and that the Certificates called for prepayment and not so paid remain Outstanding.

**Section 315. Payment of Prepaid Certificates.** Notice having been given in the manner provided in Section 314, the Prepayment Price of the Certificates or portions thereof so called for prepayment shall become due and payable on the Prepayment Date so designated at the Prepayment Price, plus the interest portion accrued and unpaid to the Prepayment Date, and, upon presentation and surrender thereof at the office specified in such notice such Prepayment Price of the Certificates, or portions thereof shall be paid. If there shall be selected

for prepayment less than all of the Certificates, the Trustee shall execute and deliver, upon the surrender of such Certificates, without charge to the owner thereof, for the aggregate balance of the principal amount of the Outstanding Certificates so surrendered, at the option of the owner thereof, Certificates of like maturity in any of the authorized denominations. If, on the Prepayment Date, moneys for the payment of the Prepayment Price of all the Certificates of a Series or portions thereof of any like maturity to be prepaid, shall be held by the Trustee so as to be available therefor on the Prepayment Date and if notice of prepayment shall have been given as aforesaid, then, from and after the Prepayment Date the interest portion of the Certificates or portions thereof of such maturity so called for prepayment shall cease to accrue and become payable. If said moneys shall not be so available on the Prepayment Date, the principal portion represented by such Certificates or portions thereof shall continue to bear interest until paid at the same rate as would have accrued had it not been called for prepayment.

**Section 316. Cancellation of Certificates.** All Certificates paid or prepaid, either at or before maturity, shall be delivered to the Trustee when such payment or prepayment is made, and such Certificates shall thereupon be promptly canceled and destroyed. Upon the cancellation and deletion of any Certificates by the Trustee, the Trustee shall execute a certificate of cancellation in duplicate by the signature of one of its authorized officers describing the Certificates so canceled, and executed certificates shall be filed with the Governing Board and the Corporation and the other executed certificate shall be retained by the Trustee.

**Section 317. Qualification for The Depository Trust Company.** The Trustee is hereby authorized to take such actions as may be necessary from time to time to qualify any Series of Certificates for deposit with The Depository Trust Company of New York, including but not limited to wire transfers of interest and principal payments with respect to such Series of Certificates, utilization of electronic book-entry data received from The Depository Trust Company of New York in place of actual delivery of Certificates and provision of notices with respect to Certificates registered by The Depository Trust Company of New York (or any of its designees identified to the Trustee) by overnight delivery, courier service, telegram, telecopy or other similar means of communication. No such arrangements with The Depository Trust Company of New York may adversely affect the interest of any of the beneficial owners of the Certificates, provided, however, that the Trustee shall not be liable with respect to any such arrangements it may make pursuant to this Section. Without limiting the foregoing, the Trustee may deliver a Series of Certificates to a bank or trust company serving as custodian (which may be the Trustee serving in the capacity of custodian) to provide for a book-entry or similar method for the registration and registration of transfers of such Series of Certificate; provided that the holders of such Series of Certificates always may receive upon request certificates evidencing their ownership of Certificates.

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ARTICLE IV  
ESTABLISHMENT AND ADMINISTRATION OF FUNDS AND  
ACCOUNTS; PREPAYMENT OF CERTIFICATES

**Section 401. Establishment of Project Fund.** There is hereby established with the Trustee a special trust fund to be designated as the "Project Fund". The Trustee shall keep the Project Fund separate and apart from all other funds and moneys held by it. Within the Project Fund, the Trustee shall establish pursuant to each Supplemental Trust Agreement, as necessary, the following accounts and subaccounts for each Series of Certificates: (a) an Acquisition Account and a Cost of Issuance Subaccount therein, more particularly described in Section 402 hereof; (b) a Capitalized Interest Account, more particularly described in Section 403 hereof; (c) a Lease Payment Account, more particularly described in Section 404 hereof; (d) a Reserve Account, more particularly described in Section 405 hereof; and (e) a Prepayment Account, more particularly described in Section 406 hereof. The Trustee shall establish separate Acquisition Accounts, Cost of Issuance Subaccounts, Capitalized Interest Accounts, Lease Payment Accounts, Reserve Accounts and Prepayment Accounts for each Project in the Supplemental Trust Agreement authorizing the issuance of the Series of Certificates corresponding to each such Project. The Trustee may create additional Accounts and Subaccounts in any Supplemental Trust Agreement at the request of the Governing Board. Each such account and subaccount shall be designated by the Trustee with the Series of the Certificates to which they relate.

On the date of delivery of each Series of Certificates the Trustee shall deposit the proceeds thereof as provided in the Schedule or Schedules and the Supplemental Trust Agreement authorizing such Series of Certificates.

**Section 402. Acquisition Account.**

(a) There shall be paid into each Acquisition Account the amounts required to be so paid by the provisions hereof or by the provisions of the Supplemental Trust Agreement authorizing the issuance of the Series of Certificates to which such Acquisition Account relates.

(b) Pursuant to an election by the Governing Board under Section 5.4(a) of the Master Lease, Net Proceeds with respect to any Facilities, may be deposited into the Acquisition Account established under the Supplemental Trust Agreement authorizing the issuance of the Series of Certificates to which such Acquisition Account relates.

(c) The Cost (other than the Costs of Issuance) of the Facilities comprising each Project shall be paid from the amounts on deposit in the related Acquisition Account. Actual amounts paid for particular Facilities may be more or less than the estimated amounts set forth initially in a Schedule, so long as the certifications provided below can be made. The

Trustee shall make such payments upon receipt of a requisition substantially in the form of Exhibit B hereto, signed by an Authorized Governing Board Representative certifying with respect to each payment to be made: (1) the requisition number, (2) the name and address of the person, firm, corporation or agency to whom payment is due or has been made, (3) the amount to be paid, (4) that each obligation, item of cost or expense mentioned therein has been properly incurred, is an item of Cost of the Facilities comprising the related Project and has not been the basis of any previous withdrawal, and (5) that the payment of the Cost of the Facilities comprising such Project will not cause the balance remaining in such Acquisition Account after such payment to be less than the amount necessary to pay the remaining estimated Costs to be paid from such account or that sufficient other moneys are available therefor. Payments may be made from such Acquisition Account in order to reimburse the Governing Board for payments previously made to pay the Costs of the Facilities comprising such Project.

Payments shall be made by the Trustee for Costs of real property in accordance with the following:

- (i) Receipt by the Trustee and the related Credit Facility Issuer of a title insurance policy, if required by such related Credit Facility Issuer pursuant to Section 6.1 of the Master Lease (the Trustee shall be notified in writing of such requirement);
- (ii) Receipt by the Trustee and the related Credit Facility Issuer of the Opinion of Counsel described in Section 6.1 of the Master Lease;
- (iii) An executed Schedule or Amendment to the related Schedule describing the real property and the cost thereof;
- (iv) A certificate of the Governing Board that all "Phase I" environmental audits of the real property have been obtained and all environmental conditions requiring remediation reported therein that would adversely impact the timely acquisition, construction, installation and equipping of the Facilities on the Facility Sites have been satisfactorily corrected or provided for;
- (v) A copy of a recent survey of the real property prepared, sealed and certified to the Governing Board and the Trustee by a licensed Florida surveyor, in form satisfactory to the Governing Board and the applicable Credit Facility Issuer; and

Before payment is made pursuant to a requisition for real estate improvements, regardless of whether the underlying real property was previously owned by the Governing Board or is being acquired with Certificate proceeds, there shall be provided to the Trustee items (i) through (vi) above with respect to the real property underlying such real estate

improvements, and in the case of underlying real property previously owned by the Governing Board, there shall be provided to the Trustee a related Ground Lease or amendment to the related Ground Lease adding such parcel of real property thereto.

(d) Costs of Issuance of Certificates shall be paid from the related Cost of Issuance Subaccount in the related Acquisition Account upon receipt by the Trustee of a requisition substantially in the form of Exhibit C hereto, signed by an Authorized Governing Board Representative stating with respect to each payment to be made: (1) the requisition number, (2) the name and address of the person, firm, corporation or agency to whom payment is due, (3) the amount to be paid and (4) that such payment obligation has been properly incurred, is a Cost of Issuance for the related Project and has not been the basis of a previous withdrawal.

(e) The completion of the acquisition, construction and installation of the Facilities comprising each Project financed under a particular Lease shall be evidenced by a Certificate of Acceptance of the Governing Board and the Corporation in the form attached as Exhibit B to the Master Lease, which Certificate of Acceptance shall be filed with the Trustee upon completion of the acquisition, construction and installation of such Facilities. Upon the filing of such certificate any amounts remaining in the related Acquisition Account shall be transferred to the related Lease Payment Account and applied as a credit to Basic Lease Payments due under the particular Schedule with respect to which such surplus is applicable, in accordance with Section 3.2(b) of the Master Lease.

(f) In the event that a Lease Term terminates under Section 4.1 of the Master Lease prior to the completion of the acquisition, construction and installation of the Facilities comprising the related Project as evidenced by the delivery of a Certificate of Acceptance, the Trustee shall transfer all amounts remaining in the related Acquisition Account to the related Lease Payment Account and apply such amounts pursuant to Section 504 hereof.

**Section 403. Capitalized Interest Accounts.** Funds in each Capitalized Interest Account relating to a Series of Certificates shall be transferred to the related Lease Payment Account in an amount necessary to pay the interest portion of Basic Lease Payments coming due during construction represented by such Series of Certificates. Such transfer shall be made on the Business Day before each Payment Date for such Series, until the amounts in such Capitalized Interest Account are exhausted.

**Section 404. Lease Payment Accounts.**

(a) In addition to the moneys required to be deposited in a Lease Payment Account pursuant to Sections 401, 402 and 408 hereof and except as provided in Section 406(b) hereof, all Basic Lease Payments for the Facilities financed under a Lease shall be deposited by the Trustee in the related Lease Payment Account immediately upon their receipt. The Trustee shall pay out of such Lease Payment Account, (i) on each Payment Date, the amount required for the interest portion of the Basic Lease Payment for such Facilities payable on such date to the related Certificate Holders together with any Hedge Obligations due with respect to any

Hedge Agreement, (ii) on each Payment Date for principal the amount required for the principal portion of the Basic Lease Payments for such Facilities payable on such date to the related Certificate Holders, and (iii) in the event of the termination of the related Lease Term pursuant to Section 4.1(d) of the Master Lease for deposit in the related Prepayment Account to be applied to the prepayment of the related Certificates pursuant to Section 315 hereof amounts on deposit in the related Lease Payment Account sufficient to pay the Prepayment Price of the related Certificates.

(b) Pursuant to an election by the Governing Board under Section 5.4(b) of the Master Lease, Net Proceeds with respect to any Facilities of less than ten percent (10%) of the remaining principal portion of the Basic Lease Payments relating to such Facilities shall be deposited in the related Lease Payment Account to be credited against Basic Lease Payments next coming due under the related Schedule in accordance with Section 3.2(c) of the Master Lease.

(c) The Trustee shall deposit any Hedge Receipts paid by a Counterparty pursuant to a Hedge Agreement into the related Lease Payment Account.

#### **Section 405. Reserve Accounts.**

Pursuant to the Supplemental Trust Agreement authorizing the issuance of any Series of Certificates, there may be established and maintained a separate Reserve Account to secure the payment of the principal and/or interest portion of the Basic Lease Payments related to such Series of Certificates. Each such Reserve Account shall secure only the Series of Certificates for which it has been established.

(a) The Reserve Account shall be maintained by the Trustee at the Reserve Account Requirement until the Basic Lease Payments related to a Series of Certificates for which it was established are paid in full pursuant to the terms of the Master Lease and the related Schedule, or the Governing Board has prepaid all such Basic Lease Payments in accordance with Section 7.2 or Section 7.3 of the Master Lease, or the Trust Agreement is terminated. The Trustee shall apply moneys in the Reserve Account as provided in this Section 405 or as provided in a Supplemental Trust Agreement.

(b) If on any Lease Payment Date (after taking into account Basic Lease Payments made to the Trustee on such Lease Payment Date) immediately preceding a Payment Date the amount in any Lease Payment Account shall be less than the amount required to pay the interest portion and principal portion of the Basic Lease Payments then due in relation to a Series of Certificates for which it was established, the Trustee shall transfer from the Reserve Account established in relation to such Series of Certificates to such Lease Payment Account the amount necessary to eliminate the deficiency. Any amounts transferred from a Reserve Account pursuant to this subsection (b) shall, to the extent of such transfer, be deemed to satisfy the Governing Board's obligation to make such Basic Lease Payment. In the event of any such transfer, the Trustee shall, within five (5) days after making such transfer, provide

written notice to the Governing Board of the amount and date of such transfer and the Governing Board shall, if the deficiency in any Lease Payment Account is not the result of a failure of the Governing Board to appropriate moneys as contemplated by Section 3.5 of the Master Lease, pay within thirty (30) days of receipt of notice of such transfer from the Trustee, as Supplemental Payments, an amount necessary to restore the balance in such Reserve Account to the appropriate Reserve Account Requirement applicable thereto. In the event of any deficiency in the value of the Reserve Account pursuant to Section 409 hereof, the Trustee shall, within five (5) days of such valuation, provide written notice to the Governing Board of such deficiency and the Governing Board shall pay within thirty (30) days of receipt of notice of such deficiency from the Trustee, as Supplemental Payments, an amount necessary to restore the balance in such Reserve Account to the appropriate Reserve Account Requirement applicable thereto.

(c) Whenever the amount in any Reserve Account, together with the amount in the related Lease Payment Account, is sufficient to pay in full the interest portion and principal portion of the Basic Lease Payments represented by all Outstanding Certificates of a Series in accordance with their terms, the funds on deposit in such Reserve Account shall be transferred to the related Lease Payment Account. Any provision of the Trust Agreement to the contrary notwithstanding, so long as there shall be held in any Lease Payment Account an amount sufficient to pay in full the interest portion and principal portion of all Basic Lease Payments represented by all Outstanding Certificates of a Series in accordance with their terms, no deposits shall be required to be made into the Reserve Account established in relation to such Series.

(d) Any amounts on deposit in a Reserve Account in excess of the related Reserve Account Requirement applicable thereto shall be transferred to the Lease Payment Account relating to the Series of Certificates secured by such Reserve Account.

(e) Any income or interest earned by, or increment to any Reserve Account due to the investment thereof paid into the applicable Lease Payment Account established for the particular Series of Certificates secured by such Reserve Account pursuant to Section 408(b) hereof shall be credited toward the interest portion of Basic Lease Payments represented by such Series next coming due, and the Trustee shall (to the extent reasonably ascertainable) notify the Governing Board at least twenty-five (25) days before each Lease Payment Date of the funds to be available for such transfer.

(f) Notwithstanding the foregoing, in lieu of the required deposits into the related Reserve Account, the Trustee is hereby authorized to accept and the Governing Board may cause to be deposited into the Reserve Account pursuant to Section 3.1 of the Master Lease, a Reserve Account Letter of Credit/Insurance Policy either in lieu of any cash amount required to be deposited therein in connection with the issuance of any Series of Certificates or in substitution for the full amounts then on deposit therein or in an amount equal to the difference between the amount required to be deposited and the sum, if any, then on deposit in the Reserve Account, which Reserve Account Letter of Credit/Insurance Policy shall be

payable (upon the giving of notice as required thereunder) on any Payment Date on which a deficiency exists which cannot be remedied by moneys in any other fund or account held pursuant to the Trust Agreement and available for such purpose. If any such Reserve Account Letter of Credit/Insurance Policy is substituted for moneys on deposit in the Reserve Account, or if on a valuation date there are excess moneys in the Reserve Account, the excess moneys in the Reserve Account may be transferred to and deposited in the related Lease Payment Account or the related Project Account as directed by the Governing Board or Project Account as directed by the Governing Board. If a disbursement is made from a Reserve Account Letter of Credit/Insurance Policy, the Governing Board shall be obligated to either reinstate the maximum limits of such Reserve Account Letter of Credit/Insurance Policy immediately following such disbursement or to deposit into the Reserve Account, as provided in Section 3.1 of the Master Lease for restoration of withdrawals from the Reserve Account, funds in the amount of the disbursement made under such Reserve Account Letter of Credit/Insurance Policy.

In the event that upon the occurrence of any deficiency in a Lease Payment Account, the Reserve Account is then funded with a Reserve Account Letter of Credit/Insurance Policy, the Trustee shall, on a Payment Date to which such deficiency relates, draw upon or cause to be paid under the Reserve Account Letter of Credit/Insurance Policy an amount sufficient to remedy such deficiency, in accordance with the terms and provisions of the Reserve Account Letter of Credit/Insurance Policy as applicable, and any corresponding reimbursement or other agreement governing the Reserve Account Letter of Credit/Insurance Policy; provided, however, that if at the time of such deficiency the Reserve Account is only partially funded with a Reserve Account Letter of Credit/Insurance Policy, prior to drawing on the Reserve Account Letter of Credit/Insurance Policy, as applicable, the Trustee shall first apply any cash and securities on deposit in the Reserve Account to remedy the deficiency in accordance with Section 4.05(b) and, if after such application a deficiency still exists, the Trustee shall make up the balance of the deficiency by drawing on the Reserve Account Letter of Credit/Insurance Policy, as provided in this sentence. Amounts drawn on the Reserve Account Letter of Credit/Insurance Policy shall be applied as set forth in Section 4.05(b). Any amounts drawn under a Reserve Account Letter of Credit/Insurance Policy shall be reimbursed by the Governing Board to the provider thereof in accordance with the tenets and provisions of the reimbursement or other agreement governing such Reserve Account Letter of Credit/Insurance Policy.

#### **Section 406. Prepayment Accounts.**

(a) Except as may be otherwise provided in the Supplemental Trust Agreement authorizing the issuance of a Series of Certificates, the Trustee shall apply moneys in each Prepayment Account as provided in this Section 406. Amounts in a Prepayment Account shall be applied within 35 days after deposit therein, to the prepayment of Certificates of the related Series.

(b) The Trustee shall deposit in each Prepayment Account as received, all moneys, if

any, paid to it for such purpose by the Governing Board pursuant to the provisions of Section 7.2 of the Master Lease. In the event of the occurrence of an event of mandatory prepayment pursuant to an election under Section 5.4(b) of the Master Lease, the Trustee shall deposit in the related Prepayment Account Net Proceeds for such purpose. Also, in the event of the occurrence of an event of mandatory prepayment at the election of a Credit Facility Issuer as a result of termination of all Leases for the reasons referred to in Section 4.1(b) or 4.1(c) Of the Master Lease, the Trustee shall deposit in the related Prepayment Account moneys paid by the Governing Board and the related Credit Facility Issuer for such purpose, and shall transfer to the related Prepayment Account moneys on hand in the related Lease payment Account and not needed to pay the principal portion and interest portion due or past due represented by the related Series of Certificates, sufficient to pay the Prepayment Price of such Series of Certificates pursuant to Section 404 hereof. All of said moneys shall be set aside in the corresponding Prepayment Account for the purpose of prepaying a principal amount of the related Series of Certificates corresponding to the principal portion of Basic Lease Payments prepaid or to the principal portion of the Purchase Option Price of all or a portion of the related Facilities, and shall be applied on or after the Prepayment Date to the payment of such principal amount of the related Series of Certificates, together with the accrued interest relating thereto, upon presentation and surrender of such Certificates.

**Section 407. Deposits of Money.**

(a) All moneys deposited under the provisions of this Trust Agreement with the Trustee shall be held in trust and applied only in accordance with the provisions of this Trust Agreement, and the Project Fund established by this Trust Agreement shall be a trust fund for the purposes thereof.

(b) All moneys held under this Trust Agreement by the Trustee shall be invested in accordance with Section 408 hereof, provided, however, that it shall not be necessary for the Trustee to give or obtain security for the deposit of any moneys held in trust and set aside by it for the payment of the principal portion or Prepayment Price of or interest portion of the Basic Lease Payments represented by any Certificates, or to give security for any moneys which shall be represented by Investment Securities purchased as an investment of such moneys.

(c) All moneys deposited with the Trustee shall be credited to the particular account to which such moneys belong.

**Section 408. Investment of Certain Accounts.**

(a) Moneys held in each Acquisition Account, Capitalized Interest Account, Lease Payment Account, Reserve Account and Prepayment Account shall be invested and reinvested by the Trustee, solely as directed by an Authorized Governing Board Representative, to the fullest extent practicable in Investment Securities which mature not later than such times as shall be necessary to provide moneys when needed for payments to

be made from such Accounts. The Trustee shall make all such investments of moneys held by it only as directed in accordance with instructions (which may be standing instructions) confirmed in writing, received from an Authorized Governing Board Representative and the Trustee shall have no responsibility for determining whether Investment Securities are legal under State law for investment of the Governing Board's funds.

(b) Subject to the first sentence of Section 409, interest (net of that which represents a return of accrued interest paid in connection with the purchase of any investments and net of amounts deemed Excess Earnings) earned on any moneys or investments in an Acquisition Account shall be either (i) at the direction of an Authorized Governing Board Representative retained in such account until delivery of a Certificate of Acceptance, or (ii) automatically transferred to the related Lease Payment Account without need for any requisition or other direction and, together with interest earnings on investments in such Lease Payment Account (which shall be retained therein), applied on the next occurring Lease Payment Date as a credit against the Basic Lease Payment then due on such date under the related Lease and deemed to be payment of the interest portion thereof. Interest earned on any moneys or investments in each Cost of Issuance Subaccount shall be deposited in the related Acquisition Account. Interest and other income received by the Trustee from investments of moneys on deposit in each Reserve Account (net of amounts deemed by the Governing Board to be Excess Earnings) and the related Capitalized Interest Account, if any, shall, prior to delivery of a Certificate of Acceptance, be deposited in the Acquisition Account, and after such date, be deposited in the related Lease Payment Account; provided, however, that all interest and other income received by the Trustee on investment of a Reserve Account shall be retained therein in the event that amounts on deposit in such Reserve Account are less than the Reserve Account Requirement applicable thereto. Interest earned on moneys and investments in a Prepayment Account shall be applied on the next ensuing Prepayment Date toward payment of amounts due to the related Certificate Holders, in accordance with the provisions of Article III hereof. The Governing Board shall give written notice to the Trustee after each calculation period of amounts deemed by the Governing Board to be Excess Earnings and the Trustee may rely conclusively on such notice for purposes of determining the Excess Earnings amount hereunder.

(c) Nothing in this Trust Agreement shall prevent any Investment Securities acquired as investments of funds held under this Trust Agreement from being issued or held in book-entry form on the books of the Department of the Treasury of the United States of America.

**Section 409. Valuation and Sale of Investments.** Obligations purchased as an investment of moneys in any Account created under the provisions of this Trust Agreement shall be deemed at all times to be a part of such Account and any profit realized from the liquidation of such investment shall be credited to, and any loss resulting from the liquidation of such investment shall be charged to, the computation of net interest earned on the moneys and investments of such Account.

In computing the amount in any Account created under the provisions of this Trust Agreement for any purpose provided in this Trust Agreement, obligations purchased as an investment of moneys therein shall be valued at the amortized cost of such obligations plus accrued interest. Such computation shall be determined as and when needed. Investments in the Reserve Account shall be valued semi-annually.

Except as otherwise provided in this Trust Agreement, the Trustee shall sell at the best price reasonably obtainable or present for redemption or transfer as provided in the next sentence any obligation so purchased as an investment whenever it shall be requested in writing by the Authorized Governing Board Representative so to do or whenever it shall be necessary in order to provide moneys to meet any payment or transfer from any Account or subaccount held by it. In lieu of such sale or presentment for redemption, the Trustee may, in making the payment or transfer from any Account mentioned in the preceding sentence, transfer such investment obligations or interest appertaining thereto if such investment obligations shall mature or be collectible at or prior to the time the proceeds thereof shall be needed and such transfer of investment obligations may be made in book-entry form. The Trustee shall not be liable or responsible for making any such investment in the manner provided above or for any loss resulting from such investment.

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ARTICLE V  
COVENANTS, DEFAULT AND LIMITATIONS OF LIABILITY

**Section 501. Trustee to Perform each Lease.** The Trustee covenants and agrees with the Certificate Holders and each Credit Facility Issuer, if any, to perform or cause to be performed all obligations and duties imposed on it as assignee of the Corporation of each Lease, and to enforce each Lease against the Governing Board.

**Section 502. Notice of Nonpayment.** In the event of delinquency in the payment when due of Basic Lease Payments by the Governing Board pursuant to a Lease, the Trustee shall give notice to the Governing Board on the Business Day following the day payment was due that such Basic Lease Payments have not been received. In the event of a delinquency in the payment when due of Additional Lease Payments or Supplemental Payments by the Governing Board pursuant to a Lease, the Trustee shall give notice to the Governing Board on the Business Day following the day payment was due (if payment was due to the Trustee) or on the Business Day following the date of receipt of notice of nonpayment from the party to whom such Additional Lease Payment or Supplemental Payment was due (if payment was due to a payee other than the Trustee).

**Section 503. Events of Default.** Each of the following events is hereby declared to be an event of default hereunder:

(a) Payment of any installment of interest represented by any Certificate shall not be made when the same shall become due and payable; or

(b) Payment of any principal, whether at maturity or upon call for redemption, or any redemption premium with respect to any Certificate shall not be made when the same shall become due and payable; or

(c) An "Event of Default" shall occur and be continuing under Section 8.1 of the Master Lease.

**Section 504. Remedies on Default or Non-Appropriation.** Upon the occurrence of an event of default by the Governing Board with respect to any Lease under Section 8.1 of the Master Lease, or upon termination of the Lease Term of all Leases as a result of nonappropriation, the Trustee, with the consent or at the direction of each Credit Facility Issuer insuring a Series of Certificates, shall be entitled to enforce the rights and exercise the remedies provided in the Master Lease, as appropriate and shall pursue one or more of such remedies at the direction of the Holders of a majority in aggregate principal amount of the Certificates of each Series Outstanding which is affected by such remedies, subject to the provisions of Section 706 hereof.

Any amounts collected following an event of default or non-appropriation shall be applied in accordance with the provisions of this Section and if all amounts due on the

Certificates or otherwise hereunder have been fully paid (or provision for payment thereof has been made), such amounts shall be paid to the Governing Board.

(a) All such moneys collected in connection with a particular Lease shall be deposited into one or more special accounts established by the Trustee for the Series of Certificates relating thereto and applied:

First: To the payment of the reasonable costs of the Trustee related to such Lease, including counsel fees and expenses, any disbursements of the Trustee and its reasonable compensation;

Second: To the payments related to such Lease, if any, required to be paid to the Treasury Department of the United States under the Code;

Third: To the payment to the persons entitled thereto of all installments of the interest then due represented by all Series of Certificates related to such Lease in the order of such maturity of the installments of such interest portion, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due represented by such installment, to the persons entitled thereto, without any discrimination or preference;

Fourth: To the payment to the persons entitled thereto of the unpaid principal portion or Prepayment Price of all Series of Certificates related to such Lease which shall have become due whether at maturity or by call for prepayment in the order of their due dates and, if the amount available shall not be sufficient to pay in full all Certificates due on any date, then to the payment thereof ratably, according to the amount of principal portion, or Prepayment Price due on such date, to the persons entitled thereto, without any discrimination or preference; and

Fifth: To the payment to any Counterparty of the unpaid Hedge Obligations or Termination Payments due under any Hedge Agreement.

Sixth: To the payment of any ground rent or other amounts then due and payable under the corresponding Ground Lease, if any.

(b) If, at the election of a Credit Facility Issuer, an Event of Extraordinary Prepayment shall have occurred, the Trustee shall send notice of such extraordinary prepayment as required under Section 314 and shall apply all such moneys in accordance herewith and with the applicable Supplemental Trust Agreement.

Except as otherwise provided in Section 305(a) hereof, in the case of partial payment of Basic Lease Payments, whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section, such moneys shall be applied by the Trustee at such times, and from time to time, as the Trustee in its sole discretion shall determine, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall exercise such

discretion in applying such moneys, it shall fix the date (which shall be on a Lease Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made, and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date.

**Section 505. Account and Reports.**

(a) The Trustee shall keep a copy of this Trust Agreement and all Supplemental Trust Agreements and proper books of record and account in which complete and correct entries shall be made of its transactions relating to each Project and each Account established under this Trust Agreement, which shall be subject to the inspection of the Corporation and the Governing Board during normal business hours and upon reasonable notice and which shall be maintained by the Trustee at the expense of the Governing Board for a period of six (6) years following termination of this Trust Agreement.

(b) The Trustee shall advise the Corporation and the Governing Board promptly after the end of each month of its transactions during such month relating to each Account held by it under this Trust Agreement.

**Section 506. Liability to Certificate Holders for Payment.** Except as otherwise provided in this Trust Agreement, the Trustee shall have no obligation or liability to the Certificate Holders with respect to the Governing Board's obligation to pay Basic Lease Payments when due, or with respect to the performance by the Governing Board of any other covenants made by it in the Master Lease. The Trustee shall not be liable or responsible because of the failure of the Corporation or the Governing Board or of any of its employees or agents to make any collections or deposits or to perform any act herein required of the Corporation or the Governing Board or because of the loss of any money arising through the insolvency or the act or default or omission of any depository. The Trustee shall not be responsible for the application of any of the proceeds of Certificates or any other money deposited with it and paid out, withdrawn or transferred hereunder if such application, payment, withdrawal or transfer shall be made in accordance with the provisions of this Trust Agreement. The immunities and exemption from liability of the Trustee hereunder shall extend to its directors, officers, employees and agents.

**Section 507. Possession and Enjoyment.** With respect to each Project, from and after the acceptance by the Governing Board of the Facilities comprising such Project in accordance with the terms of the Master Lease, the Trustee hereby agrees that it will not interfere with the Lease Terms and that the Governing Board shall, during such Lease Terms, peaceably and quietly have and hold and enjoy such Facilities, without suit, trouble or hindrance from the Trustee, except as expressly set forth in such Leases.

**Section 508. Warranties.** THE TRUSTEE, BY ACCEPTANCE OF THE TRUST AGREEMENT, AND THE CORPORATION, BY DELIVERY OF THE LEASES, MAKE NO

WARRANTY OR REPRESENTATION, EITHER EXPRESSED OR IMPLIED, AS TO THE TITLE TO, VALUE, DESIGN, CONDITION, HABITABILITY, MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF ANY OF THE FACILITIES, OR PORTION THEREOF, OR AS TO WHETHER THE QUALITY OR CAPACITY OF THE MATERIAL OR WORKMANSHIP IN SUCH FACILITIES OR ANY WARRANTY THAT SUCH FACILITIES WILL SATISFY THE REQUIREMENTS OF ANY LAW, RULE, SPECIFICATIONS OR CONTRACT WHICH PROVIDES FOR SPECIFIC MACHINERY, OPERATIONS OR SPECIAL METHODS OR ANY OTHER WARRANTY OF ANY KIND WHATSOEVER. In no event shall the Trustee be liable for any incidental, indirect, special or consequential damage in connection with or arising out of any Lease or the existence, furnishing, functioning or the Governing Board's use of any Facility or Facility Site provided for in any Lease.

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ARTICLE VI  
CONCERNING THE TRUSTEE

**Section 601. Employment of Trustee.** In consideration of the recitals hereinabove set forth and for other valuable consideration, the Trustee hereby agrees to receive, hold, invest and disburse the moneys to be paid to it pursuant to the Master Lease for credit to the various funds and accounts established by this Trust Agreement; to prepare, execute, deliver and deal with the Certificates; and to apply and disburse the Trust Estate and other moneys received pursuant to the Master Lease to the Certificate Holders subject to the limitations set forth in this Trust Agreement; and to perform certain other functions, all as expressly provided in and subject to the express terms and conditions of, this Trust Agreement. Prior to the occurrence of any Event of Default hereunder and after the curing of all such Events of Default that may have occurred, the Trustee shall perform only such duties of the Trustee as are specifically set forth in this Trust Agreement.

**Section 602. Trustee Acceptance of Duties.**

(a) The Trustee shall signify its acceptance of the duties and obligations imposed upon it by this Trust Agreement by executing and delivering this Trust Agreement, and by executing such acceptance the Trustee shall be deemed to have accepted such duties and obligations with respect to all the Certificates thereafter to be delivered, but only, however, upon the express terms and conditions set forth herein.

(b) At any and all reasonable times the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right fully to inspect all books, papers and records of the Governing Board pertaining to each Project and each Lease, and to take such memoranda from and with regard thereto as may be desired.

(c) The Trustee shall not be required to give bond or surety in respect of the execution of said trusts powers or otherwise in respect of this Trust Agreement.

(d) Before taking any action referred to in Article V, the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its failure to comply with the standard of care prescribed by Section 611 hereof or liability which is adjudicated to have resulted from its negligence or willful misconduct. Notwithstanding any other provision contained herein, the Trustee shall be under no obligation to institute any suit or to undertake any remedial proceeding in the Event of a Default under this Trust Agreement or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of any of the trusts hereby created or in the enforcement of any rights and powers hereunder, including its acceptance or possession of the Facilities, until it shall be indemnified to its reasonable

satisfaction against any and all reasonable costs, expenses, outlays and reasonable counsel fees and other reasonable disbursements, and against all liability, including any liability in connection with any hazardous waste on any Facility Site.

(e) The Trustee shall not be liable for any error of judgment made in good faith by any officer of the Trustee, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

(f) The recitals, statements and representations in this Trust Agreement or in the Certificates, save only the Trustee's execution of the Certificates, have been made by the Corporation and not by the Trustee; and the Trustee shall be under no responsibility for the correctness thereof. The Trustee shall not be responsible for the validity, priority, recording or filing of this Trust Agreement, the Master Lease, or the Assignment Agreements, or for insuring the Facilities or collecting any insurance moneys, or for the validity of the execution by the Corporation of this Trust Agreement or of any supplements hereto or instruments of further assurance, or for the sufficiency of the Trust Estate, or for the value or title of the Facilities or as to the maintenance of the security hereof, except as otherwise expressly provided herein.

(g) Except as to the acceptance of the trusts created hereunder, the Trustee shall have no responsibility in respect of the due execution or acknowledgment of this Trust Agreement by the Corporation, the validity or sufficiency of this Trust Agreement, the validity of the Certificates or the issuance thereof.

### **Section 603. Evidence on Which Trustee May Act.**

(a) The Trustee, upon receipt of any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document furnished to it pursuant to any provision of this Trust Agreement shall be protected in acting upon any such instrument reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may, but shall not be obligated to, consult with recognized counsel in the field of commercial banking and corporate trust administration, who may or may not be counsel to the Governing Board, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under this Trust Agreement in good faith and in accordance herewith.

(b) Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Trust Agreement, such matter (unless other evidence in respect thereof be therein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of an Authorized Governing Board Representative, and such certificate shall be full warranty for any action taken or suffered in good faith under the provisions of this Trust Agreement upon the faith thereof. But in its discretion the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable.

(c) Except as otherwise expressly provided hereunder, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision hereof by the Governing Board to the Trustee shall be sufficiently executed in the name of the Governing Board by an Authorized Governing Board Representative.

(d) The Trustee shall not be deemed to have notice of any Event of Default hereunder except a default in the payment of Lease Payments, unless the Trustee shall have actual knowledge thereof or be specifically notified thereof in writing.

(e) The Trustee may buy, sell, own, hold and deal in any of the Certificates, and may join in any action which any Certificate Holder may be entitled to take with like effect as if the Trustee were not a party to this Trust Agreement. The Trustee, either as principal or agent, may also engage in or have an interest in any financial or other transaction with the Governing Board or Corporation, and may act as depository, trustee, or agent for any committee or body of Certificate Holders or other obligations of the Governing Board as freely as if it were not Trustee hereunder.

(f) The Trustee shall not be answerable or accountable except for the performance of its duties and obligations as are specifically set forth in this Trust Agreement and except for its own willful misconduct or negligence. The permissive right of the Trustee to do things enumerated in this Trust Agreement shall not be construed as a duty.

(g) No provision of this Trust Agreement shall be construed to relieve the Trustee from liability for its own negligent action, willful misconduct or negligent failure to act. However, in no event shall the Trustee be liable to any party: (i) for any losses on investments made in accordance with Section 408 hereof; (ii) for special, indirect or consequential damages including loss of profits or business, arising under or in connection with this Trust Agreement regardless of the form of action; (iii) for the use of the proceeds of sale of any Certificates; (iv) for compliance by the Governing Board with any covenant regarding the yield on investments made in accordance with Section 408 hereof.

(h) The Trustee may exercise any powers hereunder and perform any duties required of it through attorneys, agents, receivers, officers or employees, and shall be entitled to advice of counsel concerning its duties hereunder and all questions hereunder. Except as otherwise provided herein, the Trustee shall not be answerable for the exercise of any discretion or power hereunder nor for any act or failure to act in connection with the trust hereunder, except only its own willful misconduct or negligence.

**Section 604. Compensation to Trustee.** The Governing Board has agreed in the Master Lease to pay to the Trustee reasonable fees and expenses as agreed to between the Governing Board and the Trustee. The Trustee shall have a lien for the foregoing on the Trust Estate.

**Section 605. Resignation of Trustee.** The Trustee may at any time resign and be discharged of the duties and obligations created by this Trust Agreement by giving not less than 60 days' written notice to the Corporation, the Governing Board and the Holders of all Certificates Outstanding, specifying the date when such resignation shall take effect, and such resignation shall take effect upon the day specified in such notice unless previously a successor shall have been appointed by the Governing Board or the Certificate Holders as provided in Section 607, in which event such resignation shall take effect immediately on the appointment of such successor provided, however, that in the event no successor has been appointed, the Trustee shall continue to serve until such appointment. The Trustee may petition a court of competent jurisdiction for the appointment of a successor.

**Section 606. Removal of Trustee.** Prior to the occurrence of an event of default, or termination of the Lease Term of all Leases as a result of nonappropriation, the Trustee may be removed at any time by an instrument or concurrent instruments in writing appointing a successor, filed with the Trustee, and signed by the Corporation and the Governing Board, with cause, or by the Holders of a majority in principal amount of each Series of Certificates then Outstanding or their attorneys-in-fact duly authorized with or without cause, or by the Credit Facility Issuers insuring a majority in principal amount of each Series of Certificates then Outstanding with cause. After the occurrence of an event of default, or termination of the Lease Term of all Leases as a result of nonappropriation, the Trustee may be so removed with or without cause by the Holders of a majority in principal amount of each Series of Certificates then Outstanding or their attorneys-in-fact duly authorized, or by the Credit Facility Issuers insuring a majority in principal amount of each Series of Certificates then Outstanding.

**Section 607. Appointment of Successor Trustee.**

(a) In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee or of its property or affairs, a successor may be appointed by the Governing Board, as long as the Governing Board is not in default under the Master Lease and the Master Lease is in full force and effect. In the event that no appointment of a successor Trustee shall be made pursuant to the foregoing provisions within 45 days after the Trustee shall have given to the Governing Board written notice as provided in Section 605 or after a vacancy in the office of the Trustee shall have occurred by reason of its removal as provided in Section 606 or by reason of its inability to act, a successor Trustee may be appointed by the Holders of a majority in principal amount of each Series of Certificates then Outstanding, excluding any Certificates held by or for the account of the Governing Board, by an instrument or concurrent instruments in writing signed and acknowledged by such Certificate Holders or by their attorneys-in-fact duly authorized and delivered to such successor Trustee, notification thereof being given to the Corporation, the Governing Board and the predecessor. For purposes of this Article VI, "appointment" of a successor Trustee shall be deemed to occur upon designation, acceptance and commencement of performance of duties by the successor Trustee.

(b) Any Trustee appointed under the provisions of this Section in succession to the Trustee shall be a bank or trust company or national banking association, having capital stock and surplus aggregating at least \$50,000,000 or at least \$500,000,000 in trust assets under management, if there be such bank or trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Trust Agreement.

(c) Each Credit Facility Issuer shall be furnished with written notice of the resignation or removal of the Trustee, Paying Agent and Registrar and of the appointment of, and acceptance of duties by, any successor thereto.

**Section 608. Transfer of Rights in Property to Successor Trustee.** Any successor Trustee appointed under this Trust Agreement shall execute, acknowledge and deliver to its predecessor Trustee, and also to the Corporation and the Governing Board an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee; but the Trustee ceasing to act shall nevertheless, on the written request of the Corporation, the Governing Board or the successor Trustee execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any property held by it under this Trust Agreement and shall pay over, assign and deliver to the successor Trustee any money or property subject to the trusts and conditions herein set forth together with any paid but unearned fees. Should any deed, conveyance or instrument in writing from the Governing Board and the Corporation be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, power and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and as far as may be authorized by law, be executed, acknowledged and delivered by the Governing Board and the Corporation.

**Section 609. Merger or Consolidation.** Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a bank or trust company organized under the laws of a state of the United States or a national banking association and shall be authorized by law to perform all the duties imposed upon it by this Trust Agreement, shall be the successor to the Trustee without the execution or filing of any paper or the performance of any further act.

**Section 610. Addition of Authorized Signature.** In case any of the Certificates contemplated to be delivered under this Trust Agreement shall have been executed but not delivered, any successor Trustee may adopt the authorized signature of any predecessor Trustee so executing such Certificates and deliver such Certificates so executed; and in case any

of the said Certificates shall not have been executed, any successor Trustee may execute such Certificates in the name of the predecessor Trustee, or in the name of the successor Trustee, and in all such cases such Certificates shall have the full force which it is anywhere in said Certificates or in this Trust Agreement provided that the certificate of the Trustee shall have.

**Section 611. Indemnification to Trustee.** The District has in Section 5.7 of the Master Lease agreed, to the extent permitted by law, including the provisions of Section 768.28 Florida Statutes, to indemnify and save the Trustee harmless from and against all liabilities, including consequential damages and reasonable legal fees and expenses arising out of the administration of the trusts pursuant to this Trust Agreement, and all matters concerning the Trustee's duties and obligations with respect to the Leases and the Assignment Agreements including the issuance of the Certificates, except in the case of liability, obligations and damages arising out of the Trustee's negligence or willful misconduct.

**Section 612. Obligation to Act on Defaults.** If any Event of Default shall have occurred and be continuing, the Trustee shall, subject to the provisions of Section 501, exercise such of the rights and remedies vested in it by this Trust Agreement and shall use the same degree of care in their exercise as a prudent man would exercise or use in the circumstances in the conduct of his own affairs; provided that if in the opinion of the Trustee such action may tend to involve expense or liability, it shall not be obligated to take such action unless it is furnished with indemnity satisfactory to it.

**Section 613. Intervention by Trustee.** The Trustee may intervene, and upon the written request of Certificate Holders of a majority in aggregate principal amount of each Series of Certificates then Outstanding and receipt of indemnity shall intervene, on behalf of Certificate Holders or the related Credit Facility Issuer in any judicial proceeding to which the Governing Board or the Corporation is a party and which in the opinion of the Trustee and its attorneys has a substantial bearing on the interests of Certificate Holders. The rights and obligations of the Trustee under this Section are subject to the approval of a court of competent jurisdiction.

**Section 614. Third Party Beneficiaries.** Each Credit Facility Issuer is hereby expressly recognized as a third party beneficiary to this Trust Agreement and, so long as the Credit Facility issued by such Credit Facility Issuer is in effect and the Credit Facility Issuer is properly honoring drawings thereunder, it shall be entitled to enforce the obligations to the Credit Facility Issuer hereunder of the Corporation and the Trustee and of the Governing Board to the Credit Facility Issuer under the Master Lease.

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ARTICLE VII  
AMENDMENTS

**Section 701. Mailing.** Any provision in this Article for the mailing of a notice or other paper to Certificate Holders of a Series of Certificates shall be fully complied with if it is mailed postage prepaid only (i) to each Holder of Certificates of such Series then Outstanding at his/her address, if any, appearing upon the registry books of the Trustee, (ii) to the Credit Facility Issuer with respect to such Series of Certificates and (iii) to the Trustee.

**Section 702. Amendment Without Consent of Certificate Holders or Credit Facility Issuers.** This Trust Agreement and the rights and obligations provided hereby may be modified or amended at any time by a Supplemental Trust Agreement, entered into between the Trustee and the Corporation (with the written consent of the Governing Board so long as the Lease Term of the Master Lease shall remain in effect and no default shall have occurred thereunder) without the consent of any Certificate Holders or any Credit Facility Issuer with respect to any Series of Certificates for the following purposes:

(a) To cure any ambiguity or formal defect or omission, to correct or supplement any provision herein that may be inconsistent with any other provision herein, to make any other provisions with respect to matters or questions arising under this Trust Agreement, or to modify, alter, amend, add to or rescind, in any particular, any of the terms or provisions contained in this Trust Agreement; provided, that any such modification, alteration, amendment, addition or replacement does not materially adversely affect the interests of the Certificate Holders, or

(b) To grant to or confer upon the Trustee for the benefit of the Certificate Holders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Certificate Holders or the Trustee, or

(c) To add to the provisions of this Trust Agreement other conditions, limitations and restrictions thereafter to be observed, or

(d) To add to the covenants and agreements of the Corporation or the Governing Board in this Trust Agreement other covenants and agreements thereafter to be observed by the Corporation or the Governing Board or to surrender any right or power herein reserved to or conferred upon the Corporation or the Governing Board, or

(e) To permit the qualification of this Trust Agreement under any federal statute now or hereafter in effect or under any state Blue Sky law, and, in connection therewith, if the Corporation and the Governing Board so determine, to add to this Trust Agreement or any supplemental trust agreement such other terms, conditions and provisions as may be permitted or required by such federal statute or Blue Sky law, or

(f) To provide for the issuance of Taxable Certificates in bearer form, or

(g) To provide, in regard to a Series of Certificates, for the addition, modification or deletion of any of the provisions in Section 401 relating to conditions which shall be necessary in order to draw moneys from a subaccount of the Project Fund, or

(h) To make any other modifications hereto which in the opinion of the Trustee, who may rely upon a written opinion of Special Counsel, shall not materially adversely affect the Certificate Holders, or

(i) To determine how, when and what information concerning the Governing Board, the Corporation, the Credit Facility Issuer and the Certificates should be disclosed by the Trustee to the Certificate Holders and the investment community in accordance with published guidelines.

**Section 703. Amendment With Consent of Certificate Holders or Credit Facility Issuers.** (a) Subject to the terms and provisions contained in this Section, and not otherwise, the Holders of not less than a majority of the aggregate principal amount of Certificates then Outstanding shall have the right, from time to time, anything contained in this Trust Agreement to the contrary notwithstanding, to consent to and approve the execution by the Corporation and the Trustee of such Supplemental Trust Agreement or Supplemental Trust Agreements as shall be deemed necessary or desirable by the Corporation for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Trust Agreement; provided, however, that nothing herein contained shall permit, or be construed as permitting (i) an extension of the maturity of the principal of or the interest on any Certificates issued hereunder, or (ii) a reduction in the principal amount of any Certificates or the prepayment premium or the rate of interest thereon, or (iii) a preference or priority of any Certificate over any other Certificate, except as provided herein, or (iv) a reduction in the aggregate principal amount of Certificates required for consent to such Supplemental Trust Agreement without the consent of 100% of the Holders of the aggregate principal amount of Certificates then Outstanding. For purposes of making amendments made pursuant to this Section 703, Holders of Certificates which will no longer be Outstanding at the time the Supplemental Trust Agreement takes effect or which are not adversely affected by such Supplemental Trust Agreement shall not have any rights of consent hereunder. Each Supplemental Trust Agreement entered into pursuant to this Section must be consented to by each Credit Facility Issuer which is affected thereby. Nothing contained in this Section 703, however, shall be construed as making necessary the approval by the Certificate Holders of the adoption and acceptance of any Supplemental Trust Agreement as authorized in Sections 702 and 706 hereof.

(b) If at any time the Corporation shall request the Trustee to enter into any Supplemental Trust Agreement for any of the purposes of this Section, the Trustee shall, at the expense of the Corporation, cause notice of the proposed execution of such Supplemental Trust Agreement to be mailed, postage prepaid, to all affected Certificate Holders, to each affected Credit Facility Issuer and to each rating agency which shall rate the Certificates. Such notice shall briefly set forth the nature of the proposed Supplemental Trust Agreement and shall state

that copies thereof are on file at the Principal Office of the Trustee for inspection by all Certificate Holders. The Trustee shall not, however, be subject to any liability to any Holder by reason of its failure to mail the notice required by this Section, and any such failure shall not affect the validity of such Supplemental Trust Agreement when approved and consented to as provided in this Section.

(c) Whenever, at any time within three years after the date of the mailing of such notice, the Corporation shall deliver to the Trustee an instrument or instruments in writing purporting to be executed by the Holders of not less than a majority of the aggregate principal amount of Certificates then Outstanding as required hereunder and each affected Credit Facility Issuer, which instrument or instruments shall refer to the proposed Supplemental Trust Agreement described in such notice and shall, specifically consent to and approve the execution thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the Trustee may execute such Supplemental Trust Agreement in substantially such form, without liability or responsibility to any Certificate Holder, whether or not such Certificate Holder shall have consented thereto.

(d) If the Certificate Holders of not less than a majority in aggregate principal amount of Certificates Outstanding as required hereunder and each affected Credit Facility Issuer at the time of the execution of such Supplemental Trust Agreement shall have consented to and approved the execution thereof as herein provided, no Certificate Holder shall have any right to object to the adoption of such Supplemental Trust Agreement, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Corporation and the Trustee from executing the same or from taking any action pursuant to the provisions thereof.

(e) Upon the execution of any Supplemental Trust Agreement pursuant to the provisions of this Section, this Trust Agreement shall be and be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Trust Agreement of the Corporation, the Trustee and all Certificate Holders shall thereafter be determined, exercised and enforced in all respects pursuant to the provisions of this Trust Agreement as so modified and amended.

Certificates owned or held by or for the account of the Governing Board shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Certificates provided for in this Article VII, and the Governing Board shall not be entitled with respect to such Certificates to give any consent or take any other action provided for in this Article. At the time of any consent or other action taken under this Article, the Governing Board shall furnish the Trustee a certificate of an Authorized Governing Board Representative, upon which the Trustee may rely, describing all Certificates so to be excluded.

**Section 705. Notation on Certificates.** Certificates executed and delivered after the effective date of any action taken as in this Article VII provided may, and if the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by the

Governing Board, the Corporation and the Trustee as to such action, and in that case upon demand of the Holder of any Certificate Outstanding at such effective date and presentation of his/her Certificate for the purpose at the designated corporate trust office of the Trustee or upon any transfer or exchange of any Certificate Outstanding at such effective date, suitable notation shall be made on such Certificate or upon any Certificates issued upon any such transfer or exchange by the Trustee as to any such action. If the Governing Board, the Corporation and the Trustee shall so determine, new Certificates so modified as in the opinion of the Trustee, the Corporation and the Governing Board to conform to such action shall be prepared, executed and delivered, and upon demand of the Holder of any Certificate then Outstanding shall be exchanged, without cost to such Certificate Holder, for Certificates of the same maturity then Outstanding, upon surrender of such Certificates.

**Section 706. Credit Facility Issuers Deemed Certificate Holders.** Notwithstanding any other provisions of this Trust Agreement, including without limitation this Article VII, whenever the consent of a Certificate Holder shall be required under this Trust Agreement for any purpose except those modifications or amendments effecting a change in the terms of prepayment or maturity of the principal portion of any Outstanding Certificates or of any installment of the interest portion thereon or a reduction in the principal portion thereon or of the requirement that such modifications or amendments not be made without the consent of the Holders of such Certificates, any Certificate insured or guaranteed by a Credit Facility shall be deemed to be owned by the Credit Facility Issuer issuing such Credit Facility, so long as such Credit Facility Issuer has not defaulted on the obligations under its Credit Facility.

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ARTICLE VIII  
MISCELLANEOUS

**Section 801. Defeasance.**

(a) If the principal portion or Prepayment Price of all Certificates, if applicable, and the interest portion due or to become due thereon including all amounts due under related Hedge Agreements, shall be paid at the times and in the manner stipulated in such Certificates and in this Trust Agreement, and all amounts owing to the Trustee under this Trust Agreement shall have been paid, then the pledge of the Trust Estate and all covenants, agreements and other obligations of the Governing Board under this Trust Agreement in favor of such Certificates shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall cause statements for such period or periods as shall be requested by the Governing Board to be prepared and filed with the Governing Board and, upon the request of the Governing Board, shall execute and deliver to the Governing Board all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the Governing Board all moneys or securities held by it pursuant to this Trust Agreement which are not required for the payment of the principal portion or Prepayment Price, if applicable, and interest portion due or to become due with respect to such Certificates not theretofore surrendered for such payment or prepayment or for the payment of amounts owing to any Credit Facility Issuer under a Reimbursement Agreement or as ground rent under any Ground Lease.

(b) Certificates for the payment or prepayment of which moneys shall have been set aside sufficient to pay the principal portion, the Prepayment Price, if applicable, and interest portion to become due to maturity or earlier prepayment, shall be held in trust by the Trustee as escrow holder (through deposit by the Governing Board of funds for such payment or prepayment of the Purchase Option Price of one or more Facilities pursuant to Section 7.3 of the Master Lease or otherwise) shall be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this Section 801 except that the obligation of the Governing Board to make, or cause to be made, Basic Lease Payments from such set-aside amounts shall continue. Any Outstanding Certificates shall, prior to the maturity or Prepayment Date thereof, be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this Section 801 if the Trustee shall receive an Opinion of Counsel to that effect and (a) in case any of said Certificates are to be prepaid on any date prior to their maturity, the Governing Board shall have given to the Trustee irrevocable instructions in writing from an Authorized Governing Board Representative to mail as provided in Article III a notice of prepayment of such Certificates (other than Certificates which have been purchased by the Trustee at the direction of the Governing Board or purchased or otherwise acquired by the Governing Board and delivered to the Trustee as hereinafter provided prior to the mailing of such notice of prepayment) on said date, (b) there shall have been deposited with the Trustee as escrow holder moneys consisting of either cash in an amount which shall be sufficient, or Defeasance Securities the principal of and the interest on which when due will provide moneys which, together with the moneys, if any,

deposited with the Trustee as escrow holder at the same time, shall be sufficient, to pay when due the principal portion or Prepayment Price, if applicable, and interest portion due and to become due with respect to said Certificates on or prior to the prepayment date or maturity date thereof, as the case may be, and (c) in the event said Certificates are not by their terms subject to prepayment within the next succeeding 60 days, the Governing Board shall have given the Trustee in form satisfactory to it, instructions to mail a notice to the Holders of such Certificates that the deposit required by (b) above has been made with the Trustee as escrow holder and that said Certificates are deemed to have been paid in accordance with this Section 801 and stating such maturity or Prepayment Date upon which moneys are expected to be available for the payment of the principal or Prepayment Price, if applicable, of said Certificates, other than Certificates which have been purchased by the Trustee at the direction of the Governing Board or purchased or otherwise acquired by the Governing Board and delivered to the Trustee as hereinafter provided prior to the mailing of the notice of prepayment referred to in clause (a) above. The Trustee shall, if so directed by the Governing Board (i) prior to the maturity date of Certificates deemed to have been paid in accordance with this Section 801 which are not to be prepaid prior to their maturity date or (ii) prior to the mailing of the notice of prepayment referred to in clause (a) above with respect to any Certificates deemed to have been paid in accordance with this Section 801 which are to be prepaid on any date prior to their maturity, apply moneys deposited with the Trustee as escrow holder in respect of such Certificates or sell Defeasance Securities so deposited with the Trustee and apply the proceeds thereof to the purchase of such Certificates and the Trustee shall immediately thereafter cancel all such Certificates so purchased; provided, however, that the moneys and Defeasance Securities remaining on deposit with the Trustee after the purchase and cancellation of such Certificates shall be sufficient to pay when due the principal or Prepayment Price, if applicable, of, and interest portion due or to become due with respect to all Certificates, in respect of which such moneys and Defeasance Securities are being held by the Trustee on or prior to the Prepayment Date or maturity date thereof, as the case may be. If, at any time (i) prior to the maturity date of Certificates deemed to have been paid in accordance with this Section 801 which are not to be prepaid prior to their maturity date or (ii) prior to the mailing of the notice of prepayment referred to in clause (a) with respect to any Certificates deemed to have been paid in accordance with this Section 801 which are to be prepaid on any date prior to their maturity, the Governing Board shall purchase or otherwise acquire any such Certificates and deliver such Certificates to the Trustee prior to their maturity date or Prepayment Date, as the case may be, the Trustee shall immediately cancel all such Certificates so delivered; such delivery of Certificates to the Trustee shall be accompanied by directions from the Governing Board to the Trustee as to the manner in which such Certificates are to be applied against the obligation to pay or prepay Certificates deemed paid in accordance with this Section 801. The directions given by the Governing Board to the Trustee referred to in the preceding sentences shall also specify the portion, if any, of such Certificates so purchased or delivered and canceled to be applied against the obligation to pay Certificates deemed paid in accordance with this Section 801 upon their maturity date or dates and the portion, if any, of such Certificates so purchased or delivered and canceled to be applied against the obligation to prepay Certificates deemed

paid in accordance with this Section 801 on any date or dates prior to their maturity. In the event that on any date as a result of any purchases, acquisitions and cancellations of Certificates as provided in this Section 801, the total amount of moneys and Defeasance Securities remaining on deposit with the Trustee under this Section 801 is in excess of the total amount which would have been required to be deposited with the Trustee on such date in respect of the remaining Certificates in order to satisfy subclause (b) of this subsection of Section 801, the Trustee shall, if requested by the Governing Board, pay the amount of such excess to the Governing Board free and clear of any trust, lien, pledge or assignment securing said Certificates or otherwise existing under this Trust Agreement. Except as otherwise provided in this subsection of Section 801, neither Defeasance Securities nor moneys deposited with the Trustee pursuant to this Section 801 nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal portion or Prepayment Price, if applicable, and interest portion represented by said Certificates; provided that any cash received from such principal or interest payments on such Defeasance Securities deposited with the Trustee, (A) to the extent such cash will not be required at any time for such purpose, as verified by a certificate delivered to the Trustee by a firm of independent certified public accountants acceptable to the Trustee, shall be paid over to the Governing Board as received by the Trustee, free and clear of any trust, lien or pledge securing said Certificates or otherwise existing under this Trust Agreement, and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Defeasance Securities maturing at times and in amounts sufficient to pay when due the principal or Prepayment Price, if applicable, and interest represented by said Certificates on or prior to such prepayment date or maturity date thereof, as the case may be, and interest earned from such reinvestment shall be paid over to the Governing Board, as received by the Trustee, free and clear of any trust, lien, pledge or assignment securing said Certificates or otherwise existing under this Trust Agreement.

(c) Anything in this Trust Agreement to the contrary notwithstanding, any moneys held by the Trustee in trust for the Payment of any of the Certificates which remain unclaimed for six (6) years after the date when such Certificates have become due and Payable, either at their stated maturity dates or by call for prepayment, if such moneys were held by the Trustee at such date, or for six (6) years after the date of deposit of such moneys if deposited with the Trustee after the said date when such certificates became due and payable, shall, at the written request of the Governing Board be repaid by the Trustee to the Governing Board, as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Certificate Holders shall look only to the Governing Board for the payment of such Certificates.

**Section 802. Evidence of Signatures of Certificate Holders and Ownership of Certificates.**

(a) Except as otherwise provided in Section 706 hereof, any request, consent, revocation of consent or other instrument which this Trust Agreement may require or permit to be signed and executed by the Certificate Holders may be in one or more instruments of similar tenor, and shall be signed or executed by such Certificate Holders in person or by their attorneys appointed in writing. Proof of (i) the execution of any such instrument, or of an instrument appointing any such attorney, or (ii) the holding by any person of the Certificates, shall be sufficient for any purpose of this Trust Agreement (except as otherwise herein expressly provided) if made in the following manner, or in any other manner satisfactory to the Trustee, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable: the fact and date of the execution by any Certificate Holder or his/her attorney of such instruments may be proved by a guarantee of the signature thereon by a bank or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a partner of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate or affidavit shall also constitute sufficient proof of his/her authority.

(b) The ownership of Certificates and the amount, numbers and other identification, and date of holding the same shall be proved by the register maintained by the Trustee.

(c) Any request or consent by the Holder of any Certificate shall bind all future Holders of such Certificate or any Certificates issued in exchange therefor or in lieu thereof in respect of anything done or suffered to be done by the Governing Board, the Corporation or the Trustee in accordance therewith.

**Section 803. Moneys Held for Particular Certificates.** Subject to Section 801(c) hereof, the amounts held by the Trustee for the payment of the interest portion, principal portion or Prepayment Price due on any date with respect to particular Certificates shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Holders of the Certificates entitled thereto.

**Section 804. Preservation and Inspection of Documents.** All documents received by the Trustee under the provisions of this Trust Agreement shall be retained in its possession and shall be subject during normal business hours and upon reasonable prior notice to the inspection of the Governing Board and the Corporation, and any Certificate Holder and their agents and their representatives, any of whom may at their own expense make copies thereof.

**Section 805. Parties Interest Herein.** Subject to Section 614, nothing herein, expressed or implied, is intended or shall be construed to confer upon, or to give to, any person or

corporation, other than the Corporation, the Trustee, the Counterparties, if any and the Holders of the Certificates, remedies or claims under or by reason hereof or any covenant, condition or stipulation thereof; provided that with respect to the provisions hereof which require the Trustee to give notice to the Governing Board, obtain the Governing Board's consent, pay or deliver to the Governing Board any moneys held by the Trustee hereunder or grant to the Governing Board any right or privilege whatsoever, such provisions shall also be for the benefit of the Governing Board and, upon the failure of the Trustee to comply therewith, the Governing Board shall have such rights, remedies and claims as are provided hereunder or by reason hereof or by law. All covenants, stipulations, promises and agreements herein contained by and on behalf of the Corporation shall be for the sole and exclusive benefit of the Governing Board, the Corporation, the Trustee and the Holders of the Certificates and any related Counterparty.

**Section 806. Severability.** If any one or more of the covenants or agreements provided in this Trust Agreement on the part of the Corporation or the Trustee to be performed should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this Trust Agreement.

**Section 807. Recording and Filing.** The Governing Board shall be responsible for the recording and filing of instruments or documents of further assurance, if any, as may be required by law in order to effectively convey the interests contemplated by this Trust Agreement.

**Section 808. Notices.** Unless otherwise specified herein, all notices, requests, demands or other communications (other than payments by the Governing Board) to or upon the respective parties listed below shall be deemed to have been given (i) in the case of notice by letter, when delivered to the addressee by-hand or on the third day after deposit in the mails, by first class mail, postage prepaid, return receipt requested, (ii) in the case of notice by cable, when delivered to the cable company, charges prepaid, (iii) in the case of notice by telex or bank wire, when sent, answer back received, and (iv) if given by telephone, when communicated to the person or to the holder of the office specified as the person or officeholder to whose attention communications are to be given, addressed to them as follows or to such other address as any of the parties may designate by written notice to the other party:

Corporation:

South Florida Water Management Leasing Corp.  
3301 Gun Club Road  
West Palm Beach, Florida 33406  
Attention: President

Governing Board:

South Florida Water Management District  
3301 Gun Club Road  
West Palm Beach, Florida 33406  
Attention: Executive Director

Trustee:

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Attention:

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Rating Agencies:

Moody's Investors Service Inc.  
99 Church Street  
New York, New York 10007

Standard & Poor's Ratings Services  
55 Water Street  
New York, New York 10041

Fitch Ratings  
One State Street Plaza  
New York, New York 10004

Credit Facility Issuers:

As set forth on the Schedule applicable to the Series of Certificates.

Notice shall also be given by the Governing Board to the Rating Agencies of the occurrence of any one or more of the following: (i) the appointment of a Successor Trustee, (ii) the expiration or termination of a Credit Facility, (iii) the prepayment or defeasance of any of the Outstanding

Certificates in accordance with Section 801 or 802 hereof or (iv) a material modification of or amendment to this Trust Agreement, the Master Lease, any Ground Lease, any Assignment Agreement, any Schedule or any Credit Facility.

**Section 809. Applicable Law.** This Trust Agreement shall be construed and governed in accordance with the laws of the State of Florida.

**Section 810. Binding on Successors.** This Trust Agreement shall be binding upon and inure to the benefit of the parties, the Certificate Holders and each Credit Facility Issuer and their respective successors and assigns.

**Section 811. Captions.** Captions preceding the text of the several Articles and Sections hereof, and the table of contents, are solely for convenience of reference and shall not constitute a part of this Trust Agreement or affect its meaning, construction or effect.

**Section 812. Legal Holidays.** Unless otherwise provided herein if the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Trust Agreement, is not a Business Day such payment may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided herein, and no interest shall accrue on such payments for the period after such date.

**Section 813. Execution in Counterparts.** This Trust Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

[Remainder of Page Intentionally Left Blank]

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

SOUTH FLORIDA WATER MANAGEMENT  
DISTRICT LEASING CORP.

Attest: \_\_\_\_\_  
Carol Ann Wehle  
Secretary

By: \_\_\_\_\_  
Eric Buermann  
President

(SEAL)

\_\_\_\_\_, as Trustee

(SEAL)

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

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

COUNTY OF PALM BEACH)

) SS:

STATE OF FLORIDA )

I, \_\_\_\_\_, a Notary Public in and for the said County in the State aforesaid, do hereby certify that Eric Buermann, personally known to me to be the President of SOUTH FLORIDA WATER MANAGEMENT DISTRICT LEASING CORP., a Florida not-for-profit corporation, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that he, being thereunto duly authorized, signed, sealed with the seal of said corporation, and delivered the said instrument as the free and voluntary act of said corporation and as his own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this \_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_  
NOTARY PUBLIC, STATE OF FLORIDA

NOTARY PUBLIC  
SEAL OF OFFICE:

\_\_\_\_\_  
(Name OF Notary Public, Print, Stamp or  
Type as Commissioned.)

- Personally known to me, or
- Produced identification: \_\_\_\_\_
- DID take an oath, or
- DID NOT take an oath

COUNTY OF PALM BEACH)

) SS:

STATE OF FLORIDA )

I, \_\_\_\_\_, a Notary Public in and for the said County in the State aforesaid, do hereby certify that Carol Ann Wehle, personally known to me to be the same person whose name is, as Secretary of SOUTH FLORIDA WATER MANAGEMENT DISTRICT LEASING CORP., a Florida not-for-profit corporation, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that she, being thereunto duly authorized, signed, sealed with the seal of said corporation, and delivered the said instrument as the free and voluntary act of said corporation and as her own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this \_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_  
NOTARY PUBLIC, STATE OF FLORIDA

NOTARY PUBLIC  
SEAL OF OFFICE:

\_\_\_\_\_  
(Name OF Notary Public, Print, Stamp or  
Type as Commissioned.)

- Personally known to me, or
- Produced identification: \_\_\_\_\_
- DID take an oath, or
- DID NOT take an oath

STATE OF FLORIDA )

) SS:

COUNTY OF PALM BEACH)

I, \_\_\_\_\_, a Notary Public in and for the said County in the State aforesaid, do hereby certify that \_\_\_\_\_ and \_\_\_\_\_, personally known to me to be the same persons whose names are, respectively, as \_\_\_\_\_ and \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ banking association, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being hereunto duly authorized, signed, sealed with the seal of said association, and delivered the said instrument as the free and voluntary act of said association and as their own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this \_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_  
NOTARY PUBLIC, STATE OF FLORIDA

NOTARY PUBLIC  
SEAL OF OFFICE:

\_\_\_\_\_  
(Name OF Notary Public, Print, Stamp or  
Type as Commissioned.)

- Personally known to me, or
- Produced identification: \_\_\_\_\_
- DID take an oath, or
- DID NOT take an oath



The registered owner of this Certificate ("Certificate Holder") is entitled to receive, subject to the terms of the Master Lease and the Trust Agreement (hereinafter defined), on the maturity date specified above (the "Maturity Date"), unless prepaid prior thereto as provided herein, the principal sum specified above, representing the portion of the Basic Lease Payments designated as principal and coming due on the Maturity Date, and to receive on April 1 and October 1 of each year, commencing \_\_\_\_\_, \_\_\_\_\_, to and including the final Maturity Date or the date of prepayment, whichever is earlier, the interest portion of the Basic Lease Payments payable to Certificate Holders on such dates. Said amounts are payable in lawful money of the United States of America. The amounts representing principal portion and Prepayment Price shall be payable at the designated corporate trust office of the Trustee and the amounts representing interest portion shall be payable by check or draft of the Trustee mailed to the registered owner at the address of the registered owner as it shall appear on the registration books maintained by the Trustee as of the 15th day of the month next preceding the month in which such payment is due. Such interest portion may be paid by wire transfer to the registered owners of \$1,000,000 or more upon their request in writing received at least 15 days prior to any Payment Date.

THE GOVERNING BOARD IS NOT LEGALLY REQUIRED TO APPROPRIATE MONEYS TO MAKE BASIC LEASE PAYMENTS. BASIC LEASE PAYMENTS ARE PAYABLE FROM FUNDS APPROPRIATED BY THE GOVERNING BOARD FOR SUCH PURPOSE FROM CURRENT OR OTHER FUNDS AUTHORIZED BY LAW AND REGULATIONS OF THE STATE OF FLORIDA. NEITHER THE DISTRICT, THE GOVERNING BOARD, THE STATE OF FLORIDA, NOR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF IS OBLIGATED TO PAY, EXCEPT FROM GOVERNING BOARD APPROPRIATED FUNDS, ANY SUMS DUE UNDER THE SERIES \_\_\_\_ LEASE FROM ANY SOURCE OF TAXATION, AND THE FULL FAITH AND CREDIT OF THE DISTRICT, THE GOVERNING 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 GOVERNING BOARD, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. NEITHER THE CORPORATION, THE TRUSTEE, NOR THE SERIES \_\_\_\_ CERTIFICATE HOLDERS MAY COMPEL THE LEVY OF ANY AD VALOREM TAXES BY THE DISTRICT, THE GOVERNING BOARD, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF TO PAY ANY SUMS, INCLUDING THE BASIC LEASE PAYMENTS, DUE UNDER THE SERIES \_\_\_\_ LEASE.

THE TRUSTEE HAS NO OBLIGATION OR LIABILITY TO MAKE PAYMENTS WITH RESPECT TO THIS CERTIFICATE EXCEPT FROM FUNDS RECEIVED BY IT PURSUANT TO THE TRUST AGREEMENT REFERRED TO ON THE REVERSE HEREOF.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS CERTIFICATE SET FORTH ON THE REVERSE HEREOF, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH HEREIN.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Constitution and laws of the State of Florida and the Trust Agreement to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery of this Certificate have happened and have been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, this Certificate has been executed by the manual signature of an Authorized Signatory of the Trustee, not in its individual capacity, but solely as Trustee under the Trust Agreement.

\_\_\_\_\_  
, as Trustee

By: \_\_\_\_\_  
Authorized Signatory

## Back of Certificate

Capitalized terms used herein but not otherwise defined herein shall have the meaning given to such terms in the Trust Agreement.

All amounts payable by the Trustee with respect to this Certificate shall be paid from (i) the Basic Lease Payments received by the Trustee from the Governing Board pursuant to the terms of the Series \_\_\_\_ Lease, (ii) all amounts from time to time deposited in the funds and accounts created under the Master Trust Agreement dated as of \_\_\_\_\_, between the Corporation and the Trustee (as the same may be amended and supplemented from time to time, the "Trust Agreement"), including investment earnings; (iii) any proceeds received by the Trustee upon the sale, re-letting or other disposition of the Series \_\_\_\_ Facilities or the pursuit of any other remedy pursuant to the Master Lease, and (iv) Net Proceeds resulting from any insurance or other financial guaranty claim or payment or any claim or condemnation award payable with respect to the Series \_\_\_\_ Facilities pursuant to the Master Lease and the Trust Agreement, but only to the extent that the Trustee shall have actually received sufficient income or proceeds from the Trust Estate (defined in the Trust Agreement) to make such payments. It is provided in the Master Lease that the cost and expense of the performance by the Governing Board of its obligations thereunder including, without limitation, the payment of all Basic Lease Payments and all other amounts required to be paid by the Governing Board thereunder, shall be subject to and dependent upon appropriations being duly made from time to time by the Governing Board for such purposes or other amounts being lawfully available therefor. The payment of the principal portion and interest portion of the Basic Lease Payments represented by the Certificates is not a liability or charge upon the credit of the Trustee or the Corporation, and neither the Trustee nor the Corporation has any obligation to make such payments, other than the Trustee's obligation to make such payments from the income from and proceeds of the sources described above.

This Certificate has been executed by the Trustee pursuant to the Trust Agreement. Copies of the Trust Agreement and the Series \_\_\_\_ Lease are on file at the principal corporate trust office of the Trustee, and reference to the Trust Agreement and the Series \_\_\_\_ Lease and any and all supplements or amendments thereto is made for a description of the funds and accounts established under the Trust Agreement for the purpose of securing the Certificates, the agreements and covenants of the Governing Board in the Series \_\_\_\_ Lease with respect to the Series \_\_\_\_ Project and Basic Lease Payments to be made by the Governing Board, the nature, extent and manner of enforcement of such agreements and covenants, the rights and remedies of the Certificate Holders with respect thereto, certain limitations relating to the issuance of additional Series of Certificates under the Trust Agreement, the manner in which the terms of the Trust Agreement may be amended, and the other terms and conditions upon which the Certificates are delivered thereunder.

Reference is hereby made to the Trust Agreement and any and all supplements, modifications or amendments thereof for a description of the pledge of the Trust Estate and assignment and covenants securing the Certificates, the nature, extent and manner of

enforcement of such pledge, the rights and remedies of the Holders of the Certificates with respect thereto, the terms and conditions upon which the Holders of the Certificates shall cease to be entitled to any lien, benefit or security under the Trust Agreement and for the other terms and provisions thereof and the pledge of the Trust Estate and the terms and conditions upon which all covenants of the Trustee to the Holders of such Certificates shall thereupon cease, terminate and become void and be discharged and satisfied. All covenants, agreements and obligations of the Governing Board under the Series \_\_\_\_ Lease with respect to the Series \_\_\_\_ Facilities or a portion thereof may be discharged and satisfied prior to the maturity or prepayment of this Certificate if moneys or certain specified securities have been deposited with the Trustee in the manner provided in the Trust Agreement.

This Certificate shall be issued initially pursuant to a book-entry-only system administered by The Depository Trust Company, New York, New York ("DTC"), which shall act as securities depository for the Certificates, with no physical distribution of certificates to be made. Any provisions of the Trust Agreement or this Certificate requiring physical delivery of Certificates shall, under the book-entry-only system, be deemed to be satisfied by a notation on the records maintained by DTC of ownership interests of its participants ("DTC Participants") and other institutions that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly ("Indirect Participants"). DTC Participants and Indirect Participants will be responsible for maintaining records with respect to the beneficial ownership interests of individual purchasers of the Certificates ("Beneficial Owners").

This Certificate shall initially be issued in the name of Cede & Co. as nominee for DTC, and so long as this Certificate is held in book-entry-only form Cede & Co. shall be considered the registered owner for all purposes hereof, including the payment of principal and interest portions of Basic Lease Payments represented by this Certificate. Payment to DTC Participants shall be the responsibility of DTC. Payments by DTC Participants to Indirect Participants, and by DTC Participants and Indirect Participants to Individual Beneficial Owners shall be the responsibility of DTC Participants and Indirect Participants and not of DTC, the Trustee, the Corporation or the Governing Board.

This Certificate shall be transferable upon the registration books of the Trustee, which shall be kept at the principal corporate trust office of the Trustee upon payment of any charges required. Except when registration of the Certificates is being maintained pursuant to a book-entry-only system, the Certificate Holder may transfer this Certificate in person or by such Certificate Holder's attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the Certificate Holder or such Certificate Holder's duly authorized attorney. Upon the transfer of this Certificate, the Trustee shall deliver in the name of the transferee a new Certificate or Certificates of the same aggregate principal amount and maturity as the surrendered Certificate. The Trustee may deem and treat the person in whose name this Certificate is registered upon the register of the Trustee as the absolute owner hereof for all purposes, and all such payments so made to any such Certificate Holder or upon such Certificate Holder's order shall be valid

and effectual to satisfy and discharge the liability upon such Certificate to the extent of the sum or sums so paid, and the Trustee shall not be affected by any notice to the contrary.

The Certificates shall be delivered in registered form in denominations of \$5,000 or any integral multiple of \$5,000. The Certificates, upon surrender thereof at the designated corporate trust office of the Trustee with a written instruction satisfactory to the Trustee, duly executed by the Certificate Holder or such Certificate Holder's attorney duly authorized in writing, may, at the option of the Certificate Holder and upon payment by such Certificate Holder of any charges which the Trustee may make as provided in the Trust Agreement, be exchanged for an equal aggregate principal amount of registered Certificates of the same maturity of any other authorized denominations.

Optional Prepayment: Certificates maturing on or before \_\_\_\_\_ 1, \_\_\_\_\_, shall not be subject to prepayment at the option of the Governing Board.

Certificates maturing after \_\_\_\_\_ 1, \_\_\_\_\_, shall be subject to prepayment on or after \_\_\_\_\_ 1, \_\_\_\_\_, if the Governing Board elects to prepay the principal portion of Basic Lease Payments due under the Series \_\_\_\_\_ Lease in whole at any time, or in part on the first day of any calendar month, and if in part, in such order of maturity of Certificates corresponding to the due dates of the principal portion of the Basic Lease Payments under the Series \_\_\_\_\_ Lease as shall be designated by the Governing Board to be prepaid, and by lot within a maturity in such manner as the Trustee may determine, at the Prepayment Price expressed as a percentage of the principal portion of Basic Lease Payments represented by the Certificates or portions thereof to be prepaid as set forth opposite such period in the following table, plus the interest portion of the Basic Lease Payments represented by the Certificates accrued to the Prepayment Date:

Prepayment Period (Both Dates Inclusive)	Prepayment Price
_____ 1, _____ through _____ 31, _____	%
_____ 1, _____ through _____ 31, _____	
_____ 1, _____ and thereafter	

Extraordinary Prepayment: (i) Certificates shall be subject to prepayment in whole or in part at any time and if in part, in such order of maturity as shall be designated by the Governing Board, and by lot within a maturity in such manner as the Trustee shall determine to be fair and appropriate, in an amount equal to the principal portion of Basic Lease Payments prepaid under the Series \_\_\_\_\_ Lease(s), at a Prepayment price of par plus the interest accrued to the Prepayment Date, if there are Net Proceeds equal to or greater than ten percent (10%) of the remaining principal portion of the Basic Lease Payments relating to the Series \_\_\_\_\_ Facilities as a result of damage, destruction or condemnation of any portion of the Series \_\_\_\_\_ Facilities and an election is made by the Governing Board under Section 5.4(b) of the Master

Lease to apply the amount to the prepayment in part of the principal portions of Basic Lease Payments relating to the Series \_\_\_\_ Facilities and represented by the Certificates.

At the election of the Series \_\_\_\_ Credit Facility Issuer, Certificates shall be subject to prepayment in whole at any time, at a Prepayment Price of par plus the interest accrued to the Prepayment Date, if the Lease Term of all Leases is terminated for the reasons referred to in Section 4.1(b) or 4.1(c) of the Master Lease.

Mandatory Sinking Fund Prepayment: Certificates maturing on \_\_\_\_\_ 1, \_\_\_\_ 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 \_\_\_\_ Lease, through the operation of a sinking fund on each \_\_\_\_\_ 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.

<u>_____ 1 of the Year</u>	<u>Principal Amount</u>
*	\$

---

\* Final Maturity.

If less than all the Certificates of like maturity shall be called for prepayment, the particular Certificates or portions thereof to be prepaid shall be selected by lot by the Trustee in such manner as the Trustee shall deem fair and appropriate. The portion of any Certificate of a denomination of more than \$5,000 to be prepaid shall be in the principal amount of \$5,000 or an integral multiple thereof, and, in selecting portions of such Certificates for prepayment, the Trustee shall treat each such Certificate as representing that number of Certificates in \$5,000 denominations which is obtained by dividing the principal amount of such Certificate to be prepaid in part by \$5,000. Interest represented by Certificates so prepaid shall be paid from the amount then available to prepay Certificates.

When prepayment of Certificates is required pursuant to the Trust Agreement, the Trustee shall give notice of the prepayment of such Certificates, which notice shall specify the maturities of the Certificates to be prepaid, the CUSIP numbers (which shall be for informational purposes only and shall not affect the validity of such notice) the Prepayment Date and the place or places where amounts due upon such prepayment will be payable and, if less than all of the Certificates are to be prepaid, the letters and numbers or other distinguishing marks of such Certificates to be prepaid, and, in the case of Certificates to be prepaid in part only, such notice shall also specify the respective portions of the principal amount thereof to be prepaid. Such notice shall further state that on such date there shall become due and payable upon each Certificate to be prepaid the Prepayment Price thereof, or the Prepayment Price of the specified portions of the principal thereof in the case of Certificates to be prepaid in part only, together with interest accrued to the Prepayment Date, and that from and after such date interest thereon shall cease to accrue and be payable. The Trustee shall mail a copy of such

notice, postage prepaid, not less than 30 days before the Prepayment Date in the case of optional prepayment, extraordinary prepayment resulting from damage, destruction or condemnation of Facilities or mandatory sinking fund prepayment for the Certificates to be prepaid and not less than 5 days nor more than 10 days before the Prepayment Date in the case of extraordinary prepayment resulting from termination of all Leases as a result of nonappropriation or default by the Governing Board, to the Certificate Holders of any Certificates or portions thereof which are to be prepaid, at their last addresses appearing upon the registry books, but any defect in the notice to a particular Certificate Holder shall not affect the validity of the proceedings for the prepayment of other Certificates. Notice, to the extent available, of such prepayment shall be provided to any depository not less than two days prior to mailing of such notice.

In the case of an optional prepayment of any Certificate, the notice of prepayment may state that (1) it is conditioned upon the deposit of moneys in the Prepayment Account or with an escrow agent under an escrow deposit agreement, in amounts necessary to effect the prepayment, no later than the Prepayment Date or (2) the Trustee, at the direction of the Governing Board, retains the right to rescind such notice on or prior to the scheduled prepayment date (in either case, a "Conditional Prepayment"), and such notice and optional prepayment shall be of no effect if such moneys are not so deposited or if the notice is rescinded as described in this subsection. Any such notice of Conditional Prepayment shall be captioned "Conditional Notice of Prepayment." Any Conditional Prepayment may be rescinded at any time prior to the Prepayment Date if the Governing Board delivers a written direction to the Trustee directing the Trustee to rescind the prepayment notice. The Trustee shall give prompt notice of such rescission to the affected Certificate Holders. Certificates subject to Conditional Prepayment where prepayment has been rescinded shall remain Outstanding, and neither the rescission nor the failure by the Governing Board to make such funds available shall constitute an Event of Default. The Trustee shall give immediate notice to the securities information repositories and the affected Certificate Holders that the prepayment did not occur and that the Certificates called for prepayment and not so paid remain Outstanding.

THE OBLIGATION OF THE GOVERNING BOARD TO MAKE BASIC LEASE PAYMENTS UNDER SCHEDULE NO. \_\_\_\_ OF THE MASTER LEASE IS A SPECIAL AND LIMITED OBLIGATION, SUBJECT TO ANNUAL APPROPRIATION BY THE GOVERNING BOARD, AS FURTHER PROVIDED ON THE FRONT OF THIS CERTIFICATE. THE GOVERNING BOARD MAY NOT BUDGET AND APPROPRIATE FUNDS TO MAKE LEASE PAYMENTS SELECTIVELY ON A LEASE BY LEASE BASIS, BUT MUST APPROPRIATE FUNDS FOR ALL LEASES OR NONE OF THEM.

Form of Opinion of Special Tax Counsel

Statement of Insurance

ASSIGNMENT

For value received \_\_\_\_\_ the undersigned does hereby sell, assign and transfer unto the within-mentioned Certificate and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney, to transfer the same on the Certificate register of the Trustee with full power of substitution in the premises.

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

Signature Guaranteed: \_\_\_\_\_

NOTE: The signature on this Assignment must correspond with the name as written on the face of the within-mentioned Certificate in every particular without alteration or enlargement or any change whatsoever

Social Security or Other Identifying Number of Transferee: \_\_\_\_\_

The following abbreviations, when used in the inscription on the face of the within Certificate, shall be construed as though they were written out in full according to applicable laws or regulations.

- TEN COM - As tenants in common
- TEN ENT - As tenants by the entireties
- JT TEN - As joint tenants with the rights of survivorship and not as tenants in common

UNIFORM GIFT MIN ACT - \_\_\_\_\_ Custodian \_\_\_\_\_  
(Cust) (Minor)

under Uniform Gifts to Minors

Act \_\_\_\_\_  
(State)

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

EXHIBIT B

REQUISITION NO. \_\_\_\_\_

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

CERTIFICATES OF PARTICIPATION

SERIES \_\_\_\_\_

Evidencing an Undivided Proportionate Interest of the Owners Thereof in Basic Lease Payments to be Made by THE GOVERNING BOARD OF THE SOUTH FLORIDA WATER MANAGEMENT DISTRICT, As Lessee, Pursuant to a Master Lease Purchase Agreement with South Florida Water Management District Leasing Corp., as Lessor

TO: \_\_\_\_\_, Trustee under the Master Trust Agreement dated as of \_\_\_\_\_, with South Florida Water Management District Leasing Corp., as supplemented by the Series \_\_\_\_ Supplemental Trust Agreement dated as of \_\_\_\_\_ (collectively, "Trust Agreement").

Capitalized terms used but not herein defined shall have the meanings ascribed to such terms in the Trust Agreement.

This Requisition is made pursuant to Section 402(c) of the Trust Agreement to pay Costs of the Series \_\_\_\_\_ Facilities.

The Trustee is hereby directed to pay sums out of the Series \_\_\_\_\_ Acquisition Account as follows:

<u>Name &amp; Address</u> <u>of Payee</u>	<u>Purpose of Payment</u>	<u>Amount</u>
TOTAL		_____ _____

The undersigned hereby certifies that (a) each obligation, item of cost or expense herein has been properly incurred, (b) each obligation, item of cost or expense herein is an item of the Cost of the Series \_\_\_\_\_ Facilities and has not been the basis of any previous withdrawal, and (c) such payment will not cause the balance remaining in the Series \_\_\_\_\_ Acquisition Account after such payment to be less than the amount necessary to pay the remaining estimated Costs to be paid from the Series \_\_\_\_\_ Acquisition Account, or sufficient other moneys are available therefore.

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

\_\_\_\_\_  
Authorized Governing Board Representative

EXHIBIT C

REQUISITION NO. \_\_\_\_\_

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

CERTIFICATES OF PARTICIPATION

SERIES \_\_\_\_\_

Evidencing an Undivided Proportionate Interest of the Owners Thereof in Basic Lease Payments to be made by THE GOVERNING BOARD OF THE SOUTH FLORIDA WATER MANAGEMENT DISTRICT, As Lessee, Pursuant to a Master Lease Purchase Agreement with South Florida Water Management District Leasing Corp., as Lessor

TO: \_\_\_\_\_, , Trustee, under the Master Trust Agreement dated as of \_\_\_\_\_, with South Florida Water Management District Leasing Corp., as supplemented by the Series \_\_\_\_ Supplemental Trust Agreement dated as of \_\_\_\_\_ (collectively, "Trust Agreement").

Capitalized terms used but not herein defined shall have the meanings ascribed to such terms in the Trust Agreement.

This Requisition is made pursuant to Section 402(d) of the Trust Agreement to pay Costs of Issuance of the Series \_\_\_\_\_ Certificates.

The Trustee is hereby directed to pay sums out of the Cost of Issuance Subaccount in the Series \_\_\_\_\_ Acquisition Account as follows:

<u>Payee</u>	<u>Purpose of Payment</u>	<u>Amount</u>
		_____
	TOTAL	_____

The undersigned hereby certifies that each payment obligation has been properly incurred, is a Cost of Issuance and has not been the basis of a previous withdrawal.

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

\_\_\_\_\_  
Authorized Governing Board Representative

**EXHIBIT D**  
**GROUND LEASE**

**SERIES \_\_\_\_  
GROUND LEASE**

**Dated as of \_\_\_\_\_**

**BETWEEN**

**THE GOVERNING BOARD OF THE SOUTH FLORIDA WATER MANAGEMENT  
DISTRICT**

**acting as the governing body of  
the South Florida Water Management District,  
as Lessor**

**AND**

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT LEASING CORP.  
as Lessee**

**(Series \_\_\_\_ Facility Site)**

**TABLE OF CONTENTS**

	<b>PAGE</b>
SECTION 1. LEASE OF SERIES ____ FACILITY SITE.....	3
SECTION 2. GROUND LEASE TERM; OPTION TO RENEW.....	4
SECTION 3. RENT.....	5
SECTION 4. TITLE TO SERIES ____ FACILITY SITE; POSSESSION.....	6
SECTION 5. USE OF SERIES ____ FACILITY SITE; ASSIGNMENTS AND SUBLEASES. .	7
SECTION 6. RIGHT OF ENTRY.....	8
SECTION 7. DEFAULT.....	8
SECTION 8. QUIET ENJOYMENT.....	8
SECTION 9. LIENS.....	9
SECTION 10. CONDEMNATION.....	9
SECTION 11. ESTOPPEL CERTIFICATES.....	9
SECTION 12. AMENDMENTS.....	10
SECTION 13. BINDING EFFECT.....	10
SECTION 14. NO MERGER OF LEASEHOLD ESTATE.....	10
SECTION 15. NOTICES.....	10
SECTION 16. SEVERABILITY.....	11
SECTION 17. APPLICABLE LAW.....	11
SECTION 18. EXECUTION IN COUNTERPARTS.....	11
SECTION 19. MEMORANDUM OF LEASE.....	11
SECTION 20. NO PERSONAL LIABILITY.....	11
SECTION 21. THIRD PARTY BENEFICIARY.....	11
EXHIBIT A – SERIES ____ FACILITY SITE	A-1
EXHIBIT B- CONSENT AND JOINDER	B-1

**SERIES \_\_\_\_ GROUND LEASE  
(SERIES \_\_\_\_ FACILITY SITE)**

**THIS SERIES \_\_\_\_ GROUND LEASE** dated as of \_\_\_\_\_, between the Governing Board of the South Florida Water Management District (the "Governing Board"), acting as the governing body of the South Florida Water Management District (the "District"), an agency of the State of Florida and a water management district, which is organized, exists and operates pursuant to the Florida Water Resources Act of 1972, Chapter 373, Florida Statutes, as amended, as Lessor, and South Florida Water Management District Leasing Corp., a not-for-profit corporation organized and existing under and pursuant to Chapter 617, Florida Statutes, as amended, as Lessee (the "Corporation"). All terms capitalized but not defined herein shall have the meanings given to them in the Trust Agreement (defined herein).

**WITNESSETH:**

**WHEREAS**, the Governing Board has the power under Section 373.093, Florida Statutes, to lease or sublease any lands or interest in land, including but not limited to oil and mineral rights, to which the District has acquired title, or to which it may acquire title or leasehold interest as long as the lease or sublease is consistent with the purposes for which the lands or any interest in land was acquired in accordance with the provisions of Chapter 373, Florida Statutes (the "Act");and

**WHEREAS**, the Corporation has the authority to acquire Facilities by lease or deed for the benefit of the Governing Board; and

**WHEREAS**, in order to carry out its powers and authority to acquire facilities and equipment, the Governing Board and the Corporation have entered into a Master Lease Purchase Agreement dated as of \_\_\_\_\_ (as the same may be amended and supplemented from time to time, the "Master Lease"); and

**WHEREAS**, the Governing Board is or shall be the owner of certain real property located in \_\_\_\_\_ County (which, together with all structures and improvements now or hereafter erected or situated thereon, any easements or other rights or privileges in adjoining property inuring to the fee simple owner of such land by reason of ownership of such land, and all fixtures, additions, extensions, alterations or replacements thereto, now or hereafter located in, or used in connection with or attached or made to such land, to the extent title thereto may vest in the Governing Board, is hereinafter referred to as a "Series \_\_\_\_ Facility Site"); and

**WHEREAS**, it is anticipated that a portion of the Series \_\_\_\_ Facilities may be dependent upon adjacent property of the Governing Board for ingress, egress and access to and from and between the Series \_\_\_\_ Facility Site and the public roads adjoining the adjacent property of the Governing Board ("Access"); and may further be dependent upon the Governing Board's adjacent property for utility and other services which would be necessary for the full use of the Series \_\_\_\_ Facility Site including, but not limited to, drainage, sewer and water

service, electric and gas service, if applicable, (collectively, "Services"); and

**WHEREAS**, the Corporation desires to acquire from the Governing Board, pursuant to this Series \_\_\_ Ground Lease, and the Governing Board is willing to grant to the Corporation, the right to utilize the adjacent property of the Governing Board to the extent reasonably necessary for Access and for the Services, and the Corporation and the Governing Board desire to provide for the structural attachment of certain of the Series \_\_\_ Facilities to the adjacent property of the Governing Board; and

**WHEREAS**, the ground leasing of the Series \_\_\_ Facility Site, the sub-leasing of the Series \_\_\_ Facility Site back to the Governing Board and the lease-purchase financing of the acquisition of the Facility Site and construction of the Series \_\_\_ Facilities are herein collectively referred to as the "Series \_\_\_ Project"; and

**WHEREAS**, provisions for the payment of the cost of acquiring and constructing the Series \_\_\_ Facilities have been made by (a) establishing a trust pursuant to the Master Trust Agreement dated as of \_\_\_\_\_, as supplemented by a Series \_\_\_ Supplemental Trust Agreement dated as of \_\_\_\_\_ (as the same may be further amended or supplemented from time to time, the "Trust Agreement"), between the Corporation and \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, as Trustee (the "Trustee"), and irrevocably assigning to the Trustee without recourse all of the Corporation's right, title and interest in and to this Series \_\_\_ Ground Lease and the Series \_\_\_ Lease, except for certain rights to indemnification and obligations of the District pursuant to \_\_\_\_\_, to hold title to the Series \_\_\_ Facilities and to receive notices, (b) directing the Trustee for such trust to execute and deliver to the public certificates of participation (the "Series \_\_\_ Certificates") evidencing undivided proportionate interests of the owners thereof in the right to receive Basic Lease Payments to be made by the Governing Board, as lessee, pursuant to the Series \_\_\_ Lease and (c) directing the Trustee to hold the proceeds of sale of the Series \_\_\_ Certificates in trust subject to application only to pay the costs of acquisition and construction of the Series \_\_\_ Facilities [and/or retiring certain outstanding notes of the District]; and

**WHEREAS**, each Series \_\_\_ Certificate represents an undivided proportionate interest in the principal portion of the Basic Lease Payments set forth on Schedule \_\_\_ due and payable on the maturity date or earlier prepayment date of the Series \_\_\_ Certificates and in the interest portion of the Basic Lease Payments set forth on Schedule \_\_\_ due and payable semiannually, to and including such maturity date or earlier prepayment date; and

**WHEREAS**, the Corporation will assign to the Trustee all of its right, title and interest in and to this Series \_\_\_ Ground Lease, the Series \_\_\_ Lease and the Series \_\_\_ Lease Payments (except for certain indemnification rights and the right of the Corporation to hold title to the Series \_\_\_ Facilities and to receive notices), pursuant to the Series \_\_\_ Assignment Agreement dated as of \_\_\_\_\_ (as the same may be amended or supplemented from time to time, the "Series \_\_\_ Assignment Agreement"); and

**WHEREAS,** the Governing Board has caused to be published its notice of intention to ground lease the Series \_\_\_\_ Facility Site as required by Section 373.093(2), Florida Statutes; and

**WHEREAS,** the Governing Board intends for the Series \_\_\_\_ Lease to remain in full force and effect until two weeks after the last Lease Payment Date for the Series \_\_\_\_ Facilities, unless sooner terminated in accordance with the terms provided therein; and

**WHEREAS,** the Governing Board intends for this Series \_\_\_\_ Ground Lease to remain in full force and effect until the termination of the Lease Term, as provided below; and

**NOW, THEREFORE,** the Governing Board and the Corporation accordingly hereby covenant and agree as follows:

**SECTION 1. LEASE OF SERIES \_\_\_\_ FACILITY SITE.** Subject to Permitted Encumbrances (as described in Exhibit A attached hereto and made a part hereof), the Governing Board hereby demises and leases the Series \_\_\_\_ Facility Site, more particularly described in Exhibit A, to the Corporation, and the Corporation hereby hires, takes and leases the Series \_\_\_\_ Facility Site from the Governing Board, for the term, at the rental and on the conditions herein set forth. Such demising and leasing shall include the following rights:

(i) The right to utilize the adjacent property of the Governing Board for Access and for the Services reasonably necessary to the full use of the Series \_\_\_\_ Facility Site; provided that the locations on the adjacent property of the Governing Board utilized for such purposes shall be reasonably agreed upon by the Corporation and the Governing Board; and provided, further, that the rights shall include, but not necessarily be limited to, the right to utilize for such purposes any portion of the adjacent property of the Governing Board. If the Lease Term of the Series \_\_\_\_ Lease terminates prior to the termination of the term of this Series \_\_\_\_ Ground Lease, the Governing Board and the Corporation shall each have the right to install such meters or submeters as may be reasonably appropriate to the end that the Corporation is charged for consumption of such utilities on the Series \_\_\_\_ Facility Site.

(ii) The adjacent property of the Governing Board and the Series \_\_\_\_ Facilities may contain certain elements, features or parts which are structural elements of both the adjacent property of the Governing Board and the Series \_\_\_\_ Facilities. Such Series \_\_\_\_ Facilities include, but are not necessarily limited to, the following, all utility lines, ducts, conduits, pipes and other utility fixtures and appurtenances which are located on or within either the Series \_\_\_\_ Facility Site or Series \_\_\_\_ Facilities on the one hand or the adjacent property of the Governing Board on the other hand and which, directly or indirectly, in any way, service the other.

(iii) The Series \_\_\_\_ Facility Site rights further include the right of the Series \_\_\_\_ Facilities to encroach upon the adjacent property of the Governing Board as a result of minor inaccuracies in survey, construction or reconstruction or due to settlement or movement. The encroaching Series \_\_\_\_ Facilities shall remain undisturbed for as long

as same exist and, for so long as such encroachment exists, that portion of the adjacent property of the Governing Board on which same exists shall be deemed to be a part of the Series \_\_\_\_ Facility Site. In addition, the Series \_\_\_\_ Facility Site rights include the right to utilize that portion of the adjacent property of the Governing Board as may be reasonably necessary in order to maintain and repair the Series \_\_\_\_ Facilities. The Series \_\_\_\_ Facility Site rights further include cross rights of support and use over, upon, across, under, through and into the common structural elements in favor of the Corporation (and like rights are hereby reserved unto the Governing Board) for the continued use, benefit and continued support, service, maintenance and repair of all such common structural elements.

The Governing Board, at its sole expense, shall bring or cause to be brought to the Series \_\_\_\_ Facility Site adequate connections for water, electrical power, storm sewerage and sewerage, if applicable, and shall arrange with the appropriate utility companies for furnishing such services and shall provide to the Series \_\_\_\_ Facility Site water services and capacity sufficient for the contemplated operation of the Series \_\_\_\_ Facilities thereon. The Governing Board agrees to grant utility companies rights of access over, under and across the remaining property of the Governing Board adjoining the Series \_\_\_\_ Facility Site, if any, as shall be necessary and convenient for the efficient operation of the Series \_\_\_\_ Facility Site, and which do not materially impair the present and future uses of such remaining property of the Governing Board, if any.

**SECTION 2. Ground Lease Term; Option to Renew.** The initial Ground Lease Term for the Series \_\_\_\_ Facility Site shall commence on the date of the delivery of this Series \_\_\_\_ Ground Lease (the "Commencement Date") and shall end on \_\_\_\_\_. If, upon the termination of the Lease Term as a result of non-appropriation or default pursuant to Section 4.1(b) or 4.1(c) of the Master Lease, the Corporation or the Trustee as the assignee of the Corporation excludes the Governing Board from possession of the Series \_\_\_\_ Facility Site and Series \_\_\_\_ Facilities, the Governing Board grants to the Corporation the right and option to renew this Series \_\_\_\_ Ground Lease for an additional term not to exceed ten (10) years, at a fair market rental to be determined, adjusted and paid in the manner set forth in Section 3 of this Series \_\_\_\_ Ground Lease.

Notwithstanding the foregoing, this Series \_\_\_\_ Ground Lease may be terminated by the Governing Board on any date prior to the end of the initial term or any renewal term hereof, which date is at least one (1) day after the date of termination of the Series \_\_\_\_ Lease, upon not less than ten (10) days prior written notice to the Corporation, (a) upon payment of the Purchase Option Price, pursuant to Section 7.2 of the Master Lease, with respect to the Series \_\_\_\_ Facilities, and full performance and satisfaction of the Governing Board's obligations under the Series \_\_\_\_ Lease, or (b) upon the provision for payment of all Lease Payments under the Series \_\_\_\_ Lease pursuant to Section 7.3 of the Master Lease, together in each case with payment of the sum of \$1.00. This Series \_\_\_\_ Ground Lease may likewise be modified at the request of the Governing Board at any time, upon similar notice and modification of the Series \_\_\_\_ Lease (a) to reflect the substitution, deletion or addition of all or a portion of the Series

\_\_\_ Facilities and Series \_\_\_ Facility Site in accordance with Section 6.4 of the Master Lease, or (b) upon payment or provision for payment of the Purchase Option Price of all or a portion of one or more particular Series \_\_\_ Facilities pursuant to Section 7.3 of the Master Lease, to reflect the release of one or more portions of the Series \_\_\_ Facility Site from this Series \_\_\_ Ground Lease.

**SECTION 3. Rent.**

(a) So long as the Lease Term has not been terminated as a result of non-appropriation or default pursuant to Section 4.1(b) or 4.1(c) of the Master Lease, the Corporation shall pay to the fee title owners of the Series \_\_\_ Facility Site as and for rental for the Series \_\_\_ Facility Site the sum of ten dollars (\$10.00) per annum, which sum shall be due in advance on the Commencement Date (pro rated) and annually thereafter on the first day of each renewal Lease Term. At the option of the Corporation, the Corporation may prepay all or a portion of the Ground Rent payable hereunder for the entire initial lease term hereof from the proceeds of sale of the Series \_\_\_ Certificates or otherwise.

(b) From and after the date on which the Lease Term shall have been terminated as a result of non-appropriation or default pursuant to Section 4.1(b) or 4.1(c) of the Master Lease, the Corporation shall pay as and for rental for the Series \_\_\_ Facility Site an amount determined by an M.A.I. appraisal to be the fair market rental for the Series \_\_\_ Facility Site (the "Appraisal"), which Appraisal shall be prepared by an appraiser selected by the Trustee as assignee of the Corporation (the cost of such Appraisal to be paid by the Trustee and reimbursed as provided in Article VI of the Trust Agreement); provided, however, that such fair market rental and the payment thereof shall be subject to the following adjustments and conditions:

(i) if the Lease Term shall have been terminated on a date other than September 30 of any year, the fair market rental determined pursuant to the Appraisal shall be pro rated for the number of days between the date of termination and the next succeeding [October 1];

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

(iii) the fair market rental due in any year shall be paid in the current year only to the extent that the moneys received by the Trustee as assignee of the Corporation from the exercise of the remedies permitted under the Series \_\_\_ Lease during the preceding twelve months prior to such October 1 exceeded the principal and interest

portion of Basic Lease Payments under the Series \_\_\_\_ Lease payable for such preceding twelve months and other amounts described in Section 504 of the Trust Agreement; provided, however, that any portion of such fair market rental not paid in any year due to the provisions of this clause (iii) shall remain due and payable and shall accumulate from year to year and shall be paid in any future year to the extent that moneys received in such year from the exercise of the remedies permitted by the Series \_\_\_\_ Lease exceed the principal and interest portion of Basic Lease Payments under the Series \_\_\_\_ Lease and other amounts described in Section 504 of the Trust Agreement and the fair market rental due in such years; and

(iv) the failure to pay any portion of the fair market rental in any year due to insufficiencies of moneys realized from the exercise of the remedies permitted under the Series \_\_\_\_ Lease (1) shall not give rise to any obligation to pay interest on such unpaid fair market rental and (2) shall not constitute a default under this Series \_\_\_\_ Ground Lease by the Corporation or the Trustee as the assignee of the Corporation.

**SECTION 4. Title to Series \_\_\_\_ Facility Site; Possession.**

(a) Upon the Commencement Date and throughout the term of this Series \_\_\_\_ Ground Lease, fee title to the Series \_\_\_\_ Facility Site shall be in the name of the Governing Board, subject to Permitted Encumbrances; title to the Series \_\_\_\_ Facilities constructed on the Series \_\_\_\_ Facility Site shall be in the name of the Corporation and shall remain severed from title to the Series \_\_\_\_ Facility Site until the earlier of (i) payment in full, or provision for payment, of all Lease Payments under the Series \_\_\_\_ Lease or payment of the then applicable Purchase Option Price of the Series \_\_\_\_ Facilities, in accordance with Sections 7.2 or 7.3 of the Master Lease and Section 2 hereof, or (ii) the end of the term of this Series \_\_\_\_ Ground Lease.

(b) The Corporation shall at all times during the term of this Series \_\_\_\_ Ground Lease have a leasehold estate in the Series \_\_\_\_ Facility Site with full right to vest the use, enjoyment and possession of such leasehold estate therein in a Permitted Transferee (as defined herein).

(c) Possession and use of the Series \_\_\_\_ Facility Site, together with all improvements thereon, shall, upon the last day of the term of this Series \_\_\_\_ Ground Lease or earlier termination of this Series \_\_\_\_ Ground Lease pursuant to Section 2 hereof, automatically revert to the fee title owner, free and clear of liens and encumbrances other than Permitted Encumbrances without necessity of any act by the Corporation or any Permitted Transferee. Upon such termination of this Series \_\_\_\_ Ground Lease, the Corporation shall peaceably and quietly surrender to the Governing Board the Series \_\_\_\_ Facility Site together with any improvements located in or upon the Series \_\_\_\_ Facility Site. Upon such surrender of the Series \_\_\_\_ Facility Site, the Corporation or any Permitted Transferee, at the reasonable request of the Governing Board, shall execute an instrument in recordable form evidencing such surrender and shall deliver to the Governing Board all books, records, construction plans, surveys, permits and other documents relating to, and necessary or convenient for, the

operation of the Series \_\_\_\_ Facility Site in the possession of the Corporation or any Permitted Transferee.

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

(e) If the Corporation or any Permitted Transferee holds over or refuses to surrender possession of the Series \_\_\_\_ Facility Site after expiration or earlier termination of this Series \_\_\_\_ Ground Lease, the Corporation or any Permitted Transferee shall be a tenant at sufferance and shall pay rent equal to the fair market rental of the Series \_\_\_\_ Facility Site determined in the manner provided in Section 3(b) hereof.

**SECTION 5. Use of Series \_\_\_\_ Facility Site; Assignments and Subleases.** The Corporation may use the Series \_\_\_\_ Facility Site for any lawful purpose; however, the parties agree that unless the Series \_\_\_\_ Lease shall have been terminated as a result of non-appropriation or default pursuant to Section 4.1(b) or 4.1(c) of the Master Lease, the Series \_\_\_\_ Facility Site shall be used solely for purposes of water resource development and management. Unless the Series \_\_\_\_ Lease shall have been so terminated, no assignment of this Series \_\_\_\_ Ground Lease or subletting of the Series \_\_\_\_ Facility Site may be made except as provided in the Series \_\_\_\_ Assignment Agreement, the Series \_\_\_\_ Lease, the Trust Agreement and in any agreement with a Credit Facility Issuer (as defined in the Trust Agreement), if any, without the prior written consent of the Governing Board. In the event that the Series \_\_\_\_ Lease shall be terminated pursuant to Section 4.1(b) or 4.1(c) of the Master Lease, then the Corporation's interest in this Series \_\_\_\_ Ground Lease may be assigned by the Trustee to any third party, including a Credit Facility Issuer (a "Permitted Transferee"), who may alter, modify, add to or delete from the Series \_\_\_\_ Facilities existing from time to time on the Series \_\_\_\_ Facility Site to the extent permitted by law.

The Governing Board represents and covenants that the Series \_\_\_\_ Facility Site are presently zoned to allow [government use and/or agricultural use], and that the Governing Board shall take no action with respect to zoning or other land use regulation applicable to the Series \_\_\_\_ Facility Site except as directed by the Corporation. The Governing Board shall do everything in its power to assist the Corporation in obtaining such permits, approvals, or zoning changes or variances as the Corporation may deem necessary or desirable or such other permits, licenses, approvals or other actions which the Corporation deems necessary or desirable in order to enable the Corporation to use the Series \_\_\_\_ Facility Site for such purposes as the Corporation shall determine, provided, however, that neither the Corporation nor any Permitted Transferee shall use or permit the Series \_\_\_\_ Facility Site to be used in violation of any valid present or future laws, ordinances, rules or regulations of any public or governmental authority at any time applicable thereto.

It is understood that all right, title and interest of the Corporation in and to this Series \_\_\_ Ground Lease is to be irrevocably assigned by the Corporation to the Trustee pursuant to the Series \_\_\_ Assignment Agreement, except that the Corporation shall continue to hold title to the Series \_\_\_ Facilities as described in Section 4 hereof and in the Series \_\_\_ Lease. The Governing Board agrees that upon such assignment the Trustee shall have all of the rights of the Corporation hereunder assigned to the Trustee, notwithstanding any claim, defense, setoff or counterclaim whatsoever (whether arising from a breach of this Series \_\_\_ Ground Lease or otherwise) that the Governing Board may from time to time have against the Corporation or any person or entity associated or affiliated therewith. The Governing Board acknowledges that the Trustee is acting on behalf of the Series \_\_\_ Certificate holders, and may, under certain circumstances assign this Series \_\_\_ Ground Lease to a Permitted Transferee.

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

**SECTION 6. Right of Entry.** Unless the Series \_\_\_ Lease shall have been terminated as a result of non-appropriation or default pursuant to Section 4.1(b) or 4.1(c) of the Master Lease, the Governing Board shall have the right for any of its duly authorized representatives to enter upon the Series \_\_\_ Facility Site at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

**SECTION 7. Default.** In the event the Corporation shall be in default in the performance of any obligation on its part to be performed under the terms of this Series \_\_\_ Ground Lease, which default continues for sixty (60) days following notice and demand for correction thereof to the Corporation, the Governing Board may exercise any and all remedies granted by law; provided, however, that so long as any Series \_\_\_ Certificates are outstanding and except as provided in Section 2 herein, this Series \_\_\_ Ground Lease shall not be terminated. The Governing Board shall have recourse solely against the leasehold estate of the Corporation in the Series \_\_\_ Facility Site, and any proceeds thereof, for the payment of any liabilities of the Corporation hereunder. The rights of the Governing Board under this Section 7 shall be subordinate in all respects to the rights of the holders of the Series \_\_\_ Certificates.

**SECTION 8. Quiet Enjoyment.** The Corporation at all times during the term of this Series \_\_\_ Ground Lease shall have and hold the Series \_\_\_ Facility Site, without hindrance or molestation subject to the provisions hereof and of the Series \_\_\_ Lease, the Series \_\_\_ Assignment Agreement and the Trust Agreement.

**SECTION 9. Liens.** Unless the Series \_\_\_\_ Lease shall have been terminated as a result of non-appropriation or default pursuant to Section 4.1(b) or 4.1(c) of the Master Lease, neither the Governing Board nor the Corporation shall, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to such Series \_\_\_\_ Facility Site, other than Permitted Encumbrances. The Governing Board shall reimburse the Trustee for any expense incurred by the Trustee in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim. Upon termination of the Series \_\_\_\_ Lease as provided above, the Corporation, the Trustee and any Permitted Transferee may enter into a mortgage or other encumbrance of its leasehold estate in the Series \_\_\_\_ Facility Site, provided, however, that the Governing Board's title to the Series \_\_\_\_ Facility Site shall not be subject to or encumbered by any such mortgage or other encumbrance, including without limitation any mechanic's or materialman's liens.

**SECTION 10. Condemnation.** In the event that any person, public or private, shall by virtue of eminent domain or condemnation proceedings, or by purchase in lieu thereof, at any time during the Ground Lease Term acquire title to the Series \_\_\_\_ Facility Site:

(a) So long as the Series \_\_\_\_ Lease is in effect, the Net Proceeds resulting therefrom shall be applied pursuant to the Master Lease.

(b) After the end of the Lease Term of the Series \_\_\_\_ Lease, (i) if such person acquires title to such a substantial portion of the Series \_\_\_\_ Facility Site that the Corporation determines that it cannot economically make use of the residue thereof for the lawful purposes intended or permitted by this Series \_\_\_\_ Ground Lease, such acquisition of title or payment of such claim shall terminate the Ground Lease Term, effective as of the date on which the condemning party takes possession thereof or on the date of payment of such claim, as applicable, and the Net Proceeds resulting therefrom shall be paid to the fee title owner of the Series \_\_\_\_ Facility Site and the Corporation, as their respective interests may appear; and (ii) if such person acquires title to a portion of the Series \_\_\_\_ Facility Site such that the Corporation determines that it can economically make beneficial use of the residue thereof for the purposes intended by this Series \_\_\_\_ Ground Lease, then this Series \_\_\_\_ Ground Lease shall continue in full force and effect and the Net Proceeds resulting therefrom shall be paid to the Governing Board and the Corporation, as their respective interests appear.

(c) Any taking of any portion of the Series \_\_\_\_ Facilities shall be deemed substantial hereunder.

(d) It is understood that the foregoing provisions of this Section 10 shall not in any way restrict the right of the Governing Board or the Corporation to appeal the award made by any court or other public agency in any condemnation proceeding.

**SECTION 11. Estoppel Certificates.** The Governing Board, at any time and from time to time, upon not less than thirty (30) days' prior written notice from the Corporation, will execute, acknowledge and deliver to the Corporation, or to whomsoever it may direct, a

certificate of the Governing Board certifying that this Series \_\_\_\_ Ground Lease is unmodified (or, if there have been any modifications, identifying the same), that this Series \_\_\_\_ Ground Lease is in full force and effect and that there is no default hereunder (or, if so, specifying the default). It is intended that any such certificate may be relied upon by any Person.

**SECTION 12. Amendments.** No amendment may be made to this Series \_\_\_\_ Ground Lease without the prior written consent of the Trustee and the Series \_\_\_\_ Credit Facility Issuer. Notwithstanding the foregoing, this Series \_\_\_\_ Ground Lease may be amended without the prior written consent of the Trustee and the Series \_\_\_\_ Credit Facility Issuer for the purpose of adding or correcting a legal description and/or the Permitted Encumbrances for any designated Series \_\_\_\_ Facility Site or any amendment authorized pursuant to Section 6.4 of the Master Lease. Copies of all amendments hereto shall be provided to the Rating Agencies (as defined in the Trust Agreement), whether effected pursuant to Section 702 or Section 703 of the Trust Agreement.

**SECTION 13. Binding Effect.** This Series \_\_\_\_ Ground Lease shall inure to the benefit of and shall be binding upon the Corporation and the Governing Board and their respective successors and assigns, provided, however, that the Trustee is entitled to the benefits of the provisions hereof.

**SECTION 14. No Merger of Leasehold Estate.** There shall be no merger of this Series \_\_\_\_ Ground Lease or of the leasehold estate hereby created with the fee estate in the Series \_\_\_\_ Facility Site by reason of the fact that, through the exercise of remedies hereunder or otherwise, the same person may acquire or hold, directly or indirectly, this Series \_\_\_\_ Ground Lease or leasehold estate hereby created or any interest herein or therein, and the fee estate in the Series \_\_\_\_ Facility Site or any interest in such fee estate. There shall be no merger of this Series \_\_\_\_ Ground Lease with the Series \_\_\_\_ Lease by reason of the fact that the Governing Board is the owner of the fee title to the Series \_\_\_\_ Facility Site and the leasehold estate in the Series \_\_\_\_ Facilities created under the Series \_\_\_\_ Lease or by reason of the fact that the Corporation is the owner of the leasehold estate in the Series \_\_\_\_ Facility Site created hereby and is the owner of the fee title in the Series \_\_\_\_ Facilities as provided in the Series \_\_\_\_ Lease.

**SECTION 15. Notices.** All notices, certificates, requests or other communications hereunder shall be in writing and shall be sufficiently given and shall be deemed given when delivered or mailed by certified mail, postage prepaid to the following addresses, or to such other address or addresses as shall be designated by the parties in writing:

Corporation:           3301 Gun Club Road  
                              West Palm Beach, Florida 33406  
                              Attention: President

Governing Board:    3301 Gun Club Road  
                              West Palm Beach, Florida 33406  
                              Attention: Executive Director

With copies to

Trustee:

Series \_\_\_\_ Credit

Facility Issuer:

**SECTION 16. Severability.** In the event any provision of this Series \_\_\_\_ Ground Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

**SECTION 17. Applicable Law.** This Series \_\_\_\_ Ground Lease shall be governed by and construed in accordance with the laws of the State of Florida.

**SECTION 18. Execution in Counterparts.** This Series \_\_\_\_ Ground Lease may be executed in several counterparts, each of which shall be an original and all of which constitute but one and the same instrument.

**SECTION 19. Memorandum of Lease.** Simultaneously with the execution of this Series \_\_\_\_ Ground Lease, the Governing Board and the Corporation shall each execute, acknowledge and deliver a Memorandum of Ground Lease with respect to this Series \_\_\_\_ Ground Lease. Said Memorandum of Lease shall not in any circumstances be deemed to change or otherwise to affect any of the obligations or provisions of this Series \_\_\_\_ Ground Lease. Upon the modification of this Series \_\_\_\_ Ground Lease as provided in Section 2 hereof, the Memorandum of Lease shall be appropriately amended.

**SECTION 20. No Personal Liability.** No covenant or agreement contained in this Series \_\_\_\_ Ground Lease shall be deemed to be the covenant or agreement of any member of the Governing Board or the corporation or any officer, employee or agent of the Governing Board or the Corporation, or of any successor thereto, in an individual capacity, and neither the members of the Governing Board or the corporation executing this Series \_\_\_\_ Ground Lease nor any officer, employee, agent of the Governing Board or the Corporation shall be personally liable or accountable by reason of the execution or delivery hereof.

**SECTION 21. Third Party Beneficiary.** The Series \_\_\_\_ Credit Facility Issuer shall be deemed to be a third party beneficiary of this Series \_\_\_\_ Ground Lease.

[The remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the Corporation has caused this Series \_\_\_\_ Ground Lease to be executed in its corporate name and its corporate seal to be hereunto affixed and attested by its duly authorized officers and the Governing Board has caused this Series \_\_\_\_ Ground Lease to be executed in its name and its seal to be hereunto affixed by its duly authorized officials, all as of the date first above written.

THE GOVERNING BOARD OF THE SOUTH  
FLORIDA WATER MANAGEMENT  
DISTRICT

[SEAL]

By: \_\_\_\_\_  
Eric Buermann  
Chair

Attest:

By: \_\_\_\_\_  
Jacqueline McGorty  
Secretary

SOUTH FLORIDA WATER MANAGEMENT  
DISTRICT LEASING CORP.

[SEAL]

By: \_\_\_\_\_  
Eric Buermann  
President

Attest:

By: \_\_\_\_\_  
Carol Ann Wehle  
Secretary

COUNTY OF PALM BEACH)
) SS:
STATE OF FLORIDA )

I, \_\_\_\_\_, a Notary Public in and for the said County in the State aforesaid, do hereby certify that Eric Buermann and Jacqueline McGorty, personally known to me to be the same persons whose names are, respectively, as Chair and Secretary, respectively of THE GOVERNING BOARD OF THE SOUTH FLORIDA WATER MANAGEMENT DISTRICT subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said Governing Board, and delivered the said instrument as the free and voluntary act of said Governing Board and as their own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this \_\_\_\_ day of \_\_\_\_\_.

NOTARY PUBLIC, STATE OF FLORIDA

NOTARY PUBLIC
SEAL OF OFFICE:

(Name of Notary Public, Print, Stamp or Type as Commissioned.)

- checkbox Personally known to me, or
checkbox Produced identification: \_\_\_\_\_
checkbox DID take an oath, or
checkbox DID NOT take an oath

COUNTY OF PALM BEACH)
) SS:
STATE OF FLORIDA )

I, \_\_\_\_\_, a Notary Public in and for the said County in the State aforesaid, do hereby certify that Eric Buermann and Carol Ann Wehle, personally known to me to be the same persons whose names are, respectively, as President and Secretary, respectively of SOUTH FLORIDA WATER MANAGEMENT DISTRICT LEASING CORP., a Florida not-for-profit corporation, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said corporation, and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this \_\_\_\_ day of \_\_\_\_\_.

NOTARY PUBLIC
SEAL OF OFFICE:

NOTARY PUBLIC, STATE OF FLORIDA

(Name OF Notary Public, Print, Stamp or Type as Commissioned.)

- Personality known to me, or
Produced identification: \_\_\_\_\_
DID take an oath, or
DID NOT take an oath

**EXHIBIT A**  
**SERIES \_\_\_\_ FACILITY SITE**

**A. DESCRIPTION OF REAL ESTATE**

**Parcel 1 (Everglades Agricultural Area (EAA) Reservoir - Phase 1A - the EAA Reservoir):**

A parcel of land lying in Sections 5-9, 16, 17, 20-22, 26-29, a portion of Sections 3, 4, 10, 14, 15, 18, 19, 23-25, 30-36, Township 46 South, Range 37 East Hiatus Lots 4-6 lying between Townships 45 and 46 South, Range 37 East, and a portion of Section 31, Township 46 South, Range 38 East, Palm Beach County, Florida, and being more particularly described as follows:

Commence at the Northwest corner of said Hiatus Lot 6, lying between Townships 45 and 46 South, Range 37 East; thence South 00° 05' 09" West along the West line of said Hiatus Lot 6, a distance of 5,466.77 feet to the POINT OF BEGINNING; thence North 89° 33' 55" East, along a line 3,640 feet North of and parallel with the North line of Sections 5 and 6 for 10,275.27 feet, to a point on the Westerly Right-of-Way line of State Road 25 (U.S. Highway 27); thence Southeasterly along said Westerly Right-of-Way line for the following five (5) courses; thence South 35° 04' 58" East, for 9,758.86 feet; thence South 35° 04' 30" East for 5,748.05 feet; thence South 35° 04' 50" East, for 7,793.22 feet; thence South 35° 09' 26" East for 10,182.40 feet; thence South 35° 00' 29" East, for 7,270.95 feet to a point on a line 1,815 feet North of and parallel with the South Township line of said Township 46 South, Range 37 East; thence departing aforesaid Westerly Right-of-Way line South 89° 35' 10" West along a line 1,815.00 feet North of and parallel with the South line of said Township 46 South, Range 37 East, 32,712.70 feet, to a point 380 feet East of and parallel with the West line of said Township 46 South, Range 37 East; thence Northerly along a line 380.00 feet East of and parallel with said West line for the following two (2) courses; thence North 01° 08' 34" West, a distance of 14,005.03 feet; thence North 01° 09' 51" West, for 406.14 feet; thence South 89° 35' 19" West, for 380.03 feet, to the West line of said Township 46 South, Range 37 East; thence North 01° 09' 51" West along said West line, for 15,463.80 feet, said point being the Northwest corner of Section 6, Township 46 South, Range 37 East to the Southwest corner of aforesaid Hiatus Lot 6; thence Northerly along the aforesaid West line of said Hiatus Lot 6 for the following two (2) courses; thence North 01° 09' 52" West, for 566.45 feet; thence North 00° 05' 09" East for 3,073.73 feet to the POINT OF BEGINNING. Said lands lying and situate in Palm Beach County, Florida.

**Parcel 2 (C44 Reservoir & STA C44 Test Cells):**

The South three-quarters of Section 17, Township 39 South, Range 39 East, Martin County, Florida, LESS and EXCEPT the South 40 feet thereof.

**Parcel 3 (C43 Reservoir West C43 Test Cells):**

A parcel of land being a portion of Sections 32, and 33 of Township 43 South, Range 28 East,

Hendry County, Florida, being more particularly described by metes and bounds as follows: Commence at the Southeast corner of said Section 32; thence North 00° 24' 41" West along the East line of said Section 32 for 300.04 feet to the POINT OF BEGINNING and an intersection with a line being 300 feet Northerly of, as measured at right angles and parallel to the South line of said Section 32; thence South 89° 52' 27" West along said parallel line for 2,441.56 feet; thence North 00° 34' 06" West for 2,304.92 feet; thence North 89° 35' 37" East for 5,038.39 feet; thence South 00° 35' 29" East for 2,294.31 feet to an intersection with a line being 300 feet Northerly of, as measured at right angles and parallel to the South line of said Section 33; thence South 89° 05' 45" West for 2,597.86 feet to the POINT OF BEGINNING. Bearings as shown hereon are based on State Plane Coordinates, Florida West Zone, North American Datum 1983/1990 with said East line of Section 32, Township 43 South, Range 28 East bearing North 00° 24' 41" West and all other bearings are relative thereto.

**Parcel 4 (EAA STA Compartment STA 6-2):**

Tract No. 49-104-002 a tract of land encompassing parts of Sections 23, 24, 25, 26, 35 & 36, in Township 47 South, Range 34 East, Hendry County, Florida, more particularly described as follows: Commencing at a found 5" x 5" concrete monument found at the Southeast corner of Section 1, Township 48 South, Range 34 East; thence North 38° 22' 14" West for a distance of 13,066.68 feet along the East Right-of-Way line for the South Florida Water Management District L-3 Levee; thence North 89° 57' 03" East a distance of 128.48 feet, to the POINT OF BEGINNING: From the POINT OF BEGINNING, continue North 89° 57' 03" East a distance of 5,818.13 feet; thence North 00° 03' 13" East a distance of 528.04 feet; thence North 89° 54' 06" East a distance of 2,458.55 feet to the East line of Section 25, Township 47 South, Range 34 East, said line also being the East line of Township 47 South, Range 34 East; thence North 01° 30' 01" West along said East line, a distance of 4,794.74 feet, to the found rail and disc at the Northeast corner of Section 25, Township 47 South, Range 34 East; thence North 01° 21' 57" West along said Range Line, a distance of 2,644.89 feet; thence South 89° 59' 37" West along a line that is 20.00 feet South of and parallel to the South Top of Bank of U.S. Sugar Existing Lateral 7E Canal, for a distance of 8,242.39 feet; thence South 00° 44' 45" East, a distance of 7,411.79 feet, along a line that is 20.00 feet East of and parallel to the East Top of Bank of U.S. Sugar Main Canal; thence North 89° 15' 15" East, a distance of 50.00 feet; thence South 00° 44' 45" East, a distance of 563.13 feet to the POINT OF BEGINNING. Bearings are based on State plane Coordinates, reference the North American Datum of 1983/1999 Florida East Zone, reference bearing of North 29° 35' 57" West along the line from Control Monument Corner to Control Monument G342 D.

**Parcel 5 (Stormwater Treatment Area Compartment B, Cell 4):**

A parcel of land lying in Townships 46 and 47 South, Ranges 37 and 38 East, Palm Beach County, Florida, more particularly described as: All of Section 36, Township 46 South, Range 37 East lying East of the East Right-of-Way Line of the L-18 (North New River Canal) as described in the following Official Records Books: Official Records Book 258, Page 149, Official Records Book 260, Page 457, Official Records Book 959, Page 38, Official Records Book 3698, Page 1225,

Official Records Book 7568, Page 1659, Official Records Book 7568, Page 1664, Official Records Book 1104, Page 543, Official Records Book 1104, Page 545, Official Records Book 1106, Page 39, Official Records Book 1107, Page 414, Official Records Book 1117, Page 521, Official Records Book 1156, Page 198, Official Records Book 1156, Page 203, and Official Records Book 1158, Page 562, all as recorded in the Public Records of Palm Beach County, Florida. TOGETHER WITH: All of Section 32, Township 46 South, Range 38 East, Palm Beach County, Florida, and the East 260 feet of the West Quarter of Section 28, Township 46 South, Range 38 East, Palm Beach County, Florida, and the West Quarter of Section 33, Township 46 South Range 38 East, and all of Section 31 lying East of the East Right-of-Way line of the L-18 (North New River Canal) as recorded in the following Official Records Books: Official Records Book 258, Page 149, Official Records Book 260, Page 457, Official Records Book 959, Page 38, Official Records Book 3698, Page 1225, Official Records Book 7568, Page 1659, Official Records Book 7568, Page 1664, Official Records Book 1104, Page 543, Official Records Book 1104, Page 545, Official Records Book 1106, Page 39, Official Records Book 1107, Page 414, Official Records Book 1117, Page 521, Official Records Book 1156, Page 198, Official Records Book 1156, Page 203, and Official Records Book 1158, Page 562, all as recorded in the Public Records of Palm Beach County, Florida. TOGETHER WITH: All of Sections 5 and 6, Township 47 South, Range 38 East, Palm Beach County, Florida lying East of the East Right-of-Way Line of the L-18 (North New River Canal) as recorded in the following Official Records Books: Official Records Book 258, Page 149, Official Records Book 260, Page 457, Official Records Book 959, Page 38, Official Records Book 3698, Page 1225, Official Records Book 7568, Page 1659, Official Records Book 7568, Page 1664, Official Records Book 1104, Page 543, Official Records Book 1104, Page 545, Official Records Book 1106, Page 39, Official Records Book 1107, Page 414, Official Records Book 1117, Page 521, Official Records Book 1156, Page 198, Official Records Book 1156, Page 203, and Official Records Book 1158, Page 562, all as recorded in the Public Records of Palm Beach County, Florida, and the North 200 feet of Section 8, Township 47 south, Range 38 East, Palm Beach County, Florida, lying East of the East Right-of-Way Line of the L-18 (North New River Canal) as recorded in the following Official Records Books: Official Records Book 258, Page 149, Official Records Book 260, Page 457, Official Records Book 959, Page 38, Official Records Book 3698, Page 1225, Official Records Book 7568, Page 1659, Official Records Book 7568, Page 1664, Official Records Book 1104, Page 543, Official Records Book 1104, Page 545, Official Records Book 1106, Page 39, Official Records Book 1107, Page 414, Official Records Book 1117, Page 521, Official Records Book 1156, Page 198, Official Records Book 1156, Page 203, and Official Records Book 1158, Page 562, all as recorded in the Public Records of Palm Beach County, Florida, and the North 200 feet of Section 9, Township 47 South, Range 38 East, Palm Beach County, Florida. TOGETHER WITH: A parcel of land lying in Section 10, Township 47 South, Range 38 East, Palm Beach County Florida, being more particularly described as: BEGINNING at the Northwest corner of Section 10, Township 47 South, Range 38 East, Palm Beach County, Florida, thence North 89° 35' 18" East, along the North line of said Section 10, a distance of 4,329.25 feet; thence South 64° 35' 29" West, departing said North line of Section 10, a distance of 318.13 feet to the beginning of a tangent curve concave to the North with a radius of 700.00 feet; thence continue along the arc of said curve, through a central angle of 24° 59' 48", a distance of 305.39 feet, to a point on a line 200 feet South of and parallel with said North line of Section 10; thence

South 89° 35' 18" West, along said parallel line, a distance of 3,745.12 feet to a point on the West line of said Section 10; thence North 00° 24' 42" West, along said West line of Section 10, a distance of 200 feet to the POINT OF BEGINNING. Bearings based on the Florida State Plane Coordinate System, North American Datum of 1983 with the North line of said Section 10, Township 47 South, Range 38 East bearing North 89° 35' 18" East and all other bearings are relative thereto.

**Parcel 6 (EAA STA Compartment C STA 5 FW 3):**

All of Sections 1, 2, 3 and 4, Township 47 South, Range 34 East, Hendry County, Florida, lying Easterly of the Westerly line of that certain parcel of land described in Official Records Book 245, Page 145 of the Hendry County Public Records. Said Westerly line also being known as the Easterly Right-of-Way line of the South Florida Water Management District's Levee L-3.

**EXHIBIT B**  
**CONSENT AND JOINDER FROM MARTIN COUNTY, FLORIDA**

**EXHIBIT E**  
**ASSIGNMENT AGREEMENT**

This instrument was prepared by and  
when recorded should be returned to:

Kenneth R. Artin, Esq.  
Bryant Miller Olive, P.A.  
135 West Central Boulevard, Suite 700  
Orlando, Florida 32801

(This space reserved for Clerk)

SERIES \_\_\_\_\_  
ASSIGNMENT AGREEMENT

BETWEEN

SOUTH FLORIDA WATER MANAGEMENT DISTRICT LEASING CORP.

AND

\_\_\_\_\_  
As Trustee

Dated as of \_\_\_\_\_

**TABLE OF CONTENTS**

Section 1. Recitals ..... 1  
Section 2. Assignment ..... 2  
Section 3. Administrative Provisions ..... 5  
Section 4. Non-Recourse ..... 5

**SERIES \_\_\_\_**  
**ASSIGNMENT AGREEMENT**

**THIS AGREEMENT**, made and entered into as of this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_, by and between the **SOUTH FLORIDA WATER MANAGEMENT DISTRICT LEASING CORP.**, a not-for-profit corporation organized under the laws of the State of Florida (the "Corporation"), and \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, as Trustee (the "Trustee");

WITNESSETH THAT, in the joint and mutual exercise of their powers, and in consideration of \$10.00 and other good and valuable consideration and the mutual covenants herein contained, the parties hereto recite and agree as follows:

**Section 1. Recitals.**

1.01 The Governing Board of the South Florida Water Management District (the "Governing Board"), and the Corporation have entered into a Master Lease Purchase Agreement dated as of \_\_\_\_\_ (as the same may be amended or supplemented from time to time, the "Master Lease"), and have executed Schedule \_\_\_\_ dated as of \_\_\_\_\_, which Master Lease together with each separate schedule constitutes a separate lease (the "Series \_\_\_\_ Lease"), with respect to certain facilities, improvements and sites financed and have entered into a Series \_\_\_\_ Ground Lease dated as of \_\_\_\_\_ (as the same may be amended or supplemented from time to time, the "Series \_\_\_\_ Ground Lease") with respect to the Series \_\_\_\_ Facility Sites (hereinafter defined). Pursuant to the Series \_\_\_\_ Lease, the Governing Board and the Corporation have agreed that there shall be acquired, constructed, installed and equipped for lease-purchase to the Governing Board certain facilities and sites as described in Schedule \_\_\_\_ to the Master Lease (the "Series \_\_\_\_ Facilities"), such facilities being located on certain lands described in Schedule \_\_\_\_ (which, together with the improvements thereon are hereinafter collectively referred to as the "Series \_\_\_\_ Facility Sites"). Schedule \_\_\_\_ sets forth the Lease Payments to be paid by the Governing Board for the Series \_\_\_\_ Facilities (the "Series \_\_\_\_ Lease Payments"). The Governing Board has agreed to lease-purchase the Series \_\_\_\_ Facilities from the Corporation.

1.03 The Corporation and the Trustee have entered into a Master Trust Agreement dated as of \_\_\_\_\_, as supplemented by a Series \_\_\_\_ Supplemental Trust Agreement dated as of \_\_\_\_\_ (as the same may be further amended or supplemented from time to time, the "Trust Agreement"), which acknowledges and contemplates the execution of this Agreement in conjunction therewith. This Agreement is made for the purpose of enabling the Trustee to act as lessor under the Series \_\_\_\_ Lease.

1.04 The Corporation desires to assign and convey all of its right, title and interest as lessee of the Series \_\_\_\_ Facility Sites under the Series \_\_\_\_ Ground Lease, and as sublessor of the Series \_\_\_\_ Facility Sites and lessor of the Series \_\_\_\_ Facilities under the Series \_\_\_\_ Lease

(except for its right to indemnification under Section 5.7 of the Master Lease, its right to hold title to the Series \_\_\_\_ Facilities under Section 6.1 of the Master Lease and Section 4 of the Series \_\_\_\_ Ground Lease and its right to receive notices under the Master Lease), to the Trustee for the benefit of the holders of the Series \_\_\_\_ Certificates to be issued under the Trust Agreement.

1.05 The Trustee is willing to accept this assignment on the terms and conditions hereinafter provided.

1.06 Each of the parties has authority to enter into this Agreement and has taken all actions necessary to authorize its execution by the officers signing it.

All terms capitalized but not defined herein shall have the meanings given to them in the Trust Agreement and the Series \_\_\_\_ Lease.

## **Section 2. Assignment.**

2.01 The Corporation hereby absolutely and unconditionally assigns and conveys to the Trustee, without recourse, for the benefit of all of the Series \_\_\_\_ Certificate Holders, all of its right, title and interest under the Series \_\_\_\_ Ground Lease and the Series \_\_\_\_ Lease (except for its right to indemnification under Section 5.7 of the Master Lease, its right to hold title to the Series \_\_\_\_ Facilities under Section 6.1 of the Master Lease and Section 4 of the Series \_\_\_\_ Ground Lease and its rights to receive notices under the Master Lease and its leasehold estate in the Series \_\_\_\_ Facility Sites under Section 4 of the Series \_\_\_\_ Ground Lease, including, without limitation, all Series \_\_\_\_ Lease Payments and other amounts required to be paid by the Governing Board under the Series \_\_\_\_ Lease). Said assignment is absolute and unconditional and the Corporation shall have no right to receive or recover the right, title and interest herein assigned. Said assignment is not given as additional security and is not intended to be nor shall it be construed to be a mortgage, or other security agreement of any nature whatsoever, and the Corporation will hereafter have no further right or interest or claims in and to the right, title and interest herein assigned, or any part thereof, or the interest or profits and other proceeds that may be derived therefrom of any kind whatsoever. Accordingly, upon execution of this Agreement, the Corporation shall deliver to the Trustee executed counterparts of the Series \_\_\_\_ Ground Lease and the Series \_\_\_\_ Lease. Delivery to the Trustee of such documents shall make the assignment and conveyance of the Series \_\_\_\_ Ground Lease and the Series \_\_\_\_ Lease herein made, complete and effective for all purposes. Title to the Series \_\_\_\_ Facilities shall remain vested in the Corporation throughout their Lease Terms; provided, however, that upon termination of the Lease Terms as a result of nonappropriation or default pursuant to Section 4.1(b) or 4.1(c) of the Master Lease, the Corporation shall, upon request of the Trustee, transfer title to such Series \_\_\_\_ Facilities and its leasehold estate in the Series \_\_\_\_ Facility Sites under Section 4 of the Series \_\_\_\_ Ground Lease to the Trustee, or to any Permitted Transferee designated by the Trustee.

2.02 With respect to the assignment and conveyance of the rights and interests contemplated hereunder to the Trustee, the Corporation represents, warrants and covenants to

and with the Trustee and the Series \_\_\_\_ Certificate Holders that, upon the date of execution of this Agreement and the effective date of the assignment and conveyance of the Corporation's rights under the Series \_\_\_\_ Ground Lease and the Series \_\_\_\_ Lease, the facts stated below are and will be true and correct:

A. The Corporation is a not-for-profit corporation duly organized, validly existing and in good standing under the laws of the State of Florida, with corporate powers and authority to own its property and carry on its business as now being conducted, and is qualified wherever necessary to perform its obligations under the Series \_\_\_\_ Ground Lease, the Series \_\_\_\_ Lease, the Trust Agreement and this Agreement.

B. The Corporation has full power, authority and legal right to enter into and perform its obligations under the Series \_\_\_\_ Ground Lease, the Series \_\_\_\_ Lease, the Trust Agreement and this Agreement; the execution, delivery and performance of the Series \_\_\_\_ Ground Lease, the Series \_\_\_\_ Lease, the Trust Agreement and this Agreement by the Corporation have been duly authorized by all necessary corporate actions on the part of the Corporation, and all required approvals and consents have heretofore been duly obtained; and the Series \_\_\_\_ Ground Lease, the Series \_\_\_\_ Lease, this Agreement and the Trust Agreement are in full force and effect.

C. The execution, delivery and performance of the Series \_\_\_\_ Ground Lease, the Series \_\_\_\_ Lease, the Trust Agreement and this Agreement do not contravene any provision of the Articles of Incorporation or Bylaws of the Corporation, and do not and will not conflict with, violate or result in any breach of or constitute a default under any agreement or instrument to which the Corporation is a party or by which it or any of its property is bound or any constitutional or statutory provision, or order, rule, regulation, decree or ordinance of any Federal or State court, government or governmental body having jurisdiction over the Corporation or any of its properties and by which the Corporation or any of its property is bound.

D. The Series \_\_\_\_ Ground Lease, the Series \_\_\_\_ Lease, this Agreement and the Trust Agreement are in full force and effect and the Corporation is not in default thereunder; the Series \_\_\_\_ Ground Lease, the Series \_\_\_\_ Lease, this Agreement and the Trust Agreement are legal, valid and binding obligations of the Corporation, enforceable against the Corporation in accordance with their respective terms, all such enforcement being subject to certain laws relating to bankruptcy, reorganization, moratorium and creditors' rights generally, and to principles of equity in the event that equitable remedies are sought.

E. The Series \_\_\_\_ Ground Lease and the Series \_\_\_\_ Lease delivered to the Trustee are duly executed duplicate originals and, together with all Exhibits thereto, comprise the entire writing, obligation and agreement between the Corporation and Governing Board respecting the Series \_\_\_\_ Facility Sites and the Series \_\_\_\_ Facilities.

F. The Corporation has complied and will at all times hereafter comply with and duly perform its obligations under the Series \_\_\_ Ground Lease, the Series \_\_\_ Lease, the Trust Agreement and this Agreement.

G. Except as disclosed in the Offering Statement dated \_\_\_\_\_, there is no pending or, to the knowledge of the Corporation, threatened action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or governmental agency in any way affecting the ability of the Corporation to perform its obligations under the Series \_\_\_ Ground Lease, the Series \_\_\_ Lease, the Trust Agreement or this Agreement.

H. The Series \_\_\_ Ground Lease and the Series \_\_\_ Lease being herein assigned are free and clear of all claims, liens, security interests and encumbrances arising through any act or omission of the Corporation or any person claiming by, through or under it, except (1) the rights of the Governing Board under the Series \_\_\_ Lease and the Series \_\_\_ Ground Lease, including the fact that [fee title] or [leasehold interest] to the Series \_\_\_ Facility Sites is vested in the Governing Board and (2) the limitations of use of the sites subject to the Series \_\_\_ Ground Lease pursuant to \_\_\_\_\_, as more fully described in the Offering Statement.

2.03 Except as otherwise set forth in Section 2.01, from and after the date of delivery to the Trustee of this Agreement, the Corporation shall have no further rights or interest under the Series \_\_\_ Ground Lease or the Series \_\_\_ Lease or in any Series \_\_\_ Lease Payments or other moneys due with respect thereto or to become due under the Series \_\_\_ Lease.

2.04 The Corporation agrees to execute and deliver to the Trustee upon request by the Trustee, any documents deemed necessary by the Trustee to further evidence or perfect the assignment and conveyance herein made with respect to the Series \_\_\_ Ground Lease and the Series \_\_\_ Lease.

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

2.06 The Corporation agrees that it will authorize and direct the Governing Board to pay to the Trustee, its successors and assigns, all Series \_\_\_ Lease Payments and all other amounts coming due under the Series \_\_\_ Lease.

2.07 Upon request of the Trustee, the Corporation agrees to cooperate in the Trustee's efforts to collect and cause to be remitted to the Trustee any Series \_\_\_\_ Lease Payment or other amount.

2.08 In the event the Corporation receives notice from the Governing Board that it will exercise its option under Section 7.2 of the Master Lease to prepay the Series \_\_\_\_ Lease Payments to become due thereunder or that the Series \_\_\_\_ Lease will not be renewed as a result of any event of non-appropriation under the Series \_\_\_\_ Lease, the Corporation shall notify the Trustee of this fact in writing no later than five (5) Business Days after such receipt provided, however, that failure to provide such notice shall not create any liability on the part of the Corporation.

### **Section 3. Administrative Provisions.**

3.01 This Agreement shall be construed and governed in accordance with the laws of the State of Florida.

3.02 Any provision of this Agreement found to be prohibited by applicable laws shall be ineffective only to the extent of such prohibition, and shall not invalidate the remainder of this Agreement.

3.03 This Agreement may not be amended without the prior written consent of the Series \_\_\_\_ Credit Facility Issuer.

3.04 This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

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

### **Section 4. Non-Recourse.**

4.01 The assignment contained in this Agreement is agreed to be non-recourse with respect to the Corporation and the Corporation shall have no liability to the Trustee, or any Certificate Holders hereunder with respect to the occurrence of any event of default by the Governing Board under the Series \_\_\_\_ Lease whether such default consists of failure to pay moneys, breach of covenant or otherwise; provided, however, that nothing contained in this Section 4 shall excuse the Corporation from performance of its obligations under Section 2.04 through 2.08 hereof.

All covenants, stipulations, promises, agreements and obligations of the parties hereto contained in this Agreement shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the parties hereto, respectively, and not of any member, officer, employee or agent of the parties hereto in an individual capacity, and no recourse shall be had

for the assignment effected by Section 2 hereof or for any claim based thereon under this Agreement against any member, officer, employee or agent of the parties hereto.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Series \_\_\_\_ Assignment Agreement with their respective signatures as of the day and year first written above.

[SEAL]

**SOUTH FLORIDA WATER  
MANAGEMENT DISTRICT LEASING  
CORP.**

ATTEST:

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

Eric Buermann  
President

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

Carol Ann Wehle  
Secretary

\_\_\_\_\_  
as Trustee

[SEAL]

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

Name:  
Title:

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

Name:  
Title:

COUNTY OF PALM BEACH)
) SS:
STATE OF FLORIDA )

I, \_\_\_\_\_, a Notary Public in and for the said County in the State aforesaid, do hereby certify that \_\_\_\_\_ and \_\_\_\_\_, personally known to me to be the same persons whose named as \_\_\_\_\_ and \_\_\_\_\_ of SOUTH FLORIDA WATER MANAGEMENT DISTRICT LEASING CORP., a Florida not-for-profit corporation, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said corporation, and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this \_\_\_\_ day of \_\_\_\_\_.

NOTARY PUBLIC, STATE OF FLORIDA

NOTARY PUBLIC
SEAL OF OFFICE:

(Name OF Notary Public, Print, Stamp or Type as Commissioned.)

- Personally known to me, or
Produced identification: \_\_\_\_\_
DID take an oath, or
DID NOT take an oath

STATE OF FLORIDA            )  
  ) SS:  
COUNTY OF \_\_\_\_\_ )

I, \_\_\_\_\_, a Notary Public in and for the said County in the State aforesaid, do hereby certify that \_\_\_\_\_ and \_\_\_\_\_, personally known to me to be the same persons whose names are, respectively, as \_\_\_\_\_ and \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ banking association, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being hereunto duly authorized, signed, sealed with the seal of said association, and delivered the said instrument as the free and voluntary act of said association and as their own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

NOTARY PUBLIC  
SEAL OF OFFICE:

\_\_\_\_\_  
NOTARY PUBLIC, STATE OF FLORIDA

\_\_\_\_\_  
(Name OF Notary Public, Print, Stamp or Type  
as Commissioned.)

- Personally known to me, or
- Produced identification: \_\_\_\_\_
- DID take an oath, or
- DID NOT take an oath