

RESOLUTION NO. __

A RESOLUTION OF THE SCHOOL BOARD OF CLAY COUNTY, FLORIDA PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED \$3,000,000 PRINCIPAL AMOUNT OF REVENUE BONDS, SERIES 2010 IN ORDER TO FINANCE CAPITAL EXPENDITURES FOR EXTENSION, ENLARGEMENT AND IMPROVEMENT OF EXISTING SCHOOL BUILDINGS AND OTHER FACILITIES AND TO ACQUIRE OR CONSTRUCT NEW FACILITIES INCLUDING BUILDINGS, SITES AND EQUIPMENT AND TO REFINANCE THE RACETRACK REVENUE BONDS, SERIES 1995; PROVIDING A METHOD FOR FIXING AND DETERMINING THE PRINCIPAL AMOUNT, INTEREST RATES, MATURITY DATES, REDEMPTION PROVISIONS AND OTHER DETAILS OF SAID BONDS; AUTHORIZING THE SALE OF THE BONDS; APPOINTING A PAYING AGENT AND REGISTRAR FOR THE BONDS; AUTHORIZING USE OF A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FINAL OFFICIAL STATEMENT, A PAYING AGENT AND REGISTRAR AGREEMENT, AN ESCROW DEPOSIT AGREEMENT AND BOND PURCHASE AGREEMENT; AUTHORIZING THE PURCHASE OF A MUNICIPAL BOND INSURANCE POLICY; PROVIDING FOR THE APPLICATION OF THE PROCEEDS OF THE BONDS AND CERTAIN OTHER MONEYS; AMENDING A RESOLUTION ADOPTED ON JANUARY 24, 1995 RELATING TO THE RACETRACK REVENUE BONDS; CONTAINING CERTAIN AUTHORIZATIONS AND OTHER PROVISIONS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, pursuant to a Resolution (the "Bond Resolution") adopted on January 24, 1995, the School Board of Clay County, Florida (the "Issuer") authorized the issuance of obligations of the Issuer from time to time secured by a lien upon and pledge of certain "Pledged Funds" as defined in and to the extent set forth in the Bond Resolution; and

WHEREAS, the Issuer desires to issue Additional Bonds (the "Series 2010 Bonds") under the Bond Resolution to provide funds to pay costs of Additional Projects (as defined in the Bond Resolution) (as further described herein, the "2010 Project");

NOW, THEREFORE, BE IT RESOLVED BY THE SCHOOL BOARD OF CLAY COUNTY, FLORIDA:

Section 1. Authority for this Resolution. This Resolution is adopted pursuant to the Act (as defined in the Bond Resolution) and the Bond Resolution.

Section 2. Definitions. Terms used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed thereto in the Bond Resolution. In addition, the following terms when used herein have the following meanings:

"Authorized Signatory" means the Superintendent or Chairman, and in the absence of the Superintendent or Chairman, any other member of the School Board.

"Bond Insurance Policy" shall mean a municipal bond new issue insurance policy issued by the Insurer that guarantees payment of principal of and interest on the Series 2010 Bonds.

"Insurer" means Assured Guaranty Corp.

"Refunded Bonds" means all of the Issuer's Racetrack Revenue Bonds, Series 1995 as are outstanding on the date of issuance of the Series 2010 Bonds.

Section 3. Authorization, Description and Terms of Series 2010 Bonds. A Series of Bonds entitled to the benefit, protection and security of this Resolution and the Bond Resolution is hereby authorized in an aggregate principal amount not to exceed \$3,000,000 for the purposes of paying the cost of the 2010 Project and refunding the Refunded Bonds. Such Series shall be designated as "School Board of Clay County, Florida, Revenue Bonds, Series 2010." The Series 2010 Bonds shall not be issued except in compliance with the Bond Resolution, including Section 5.02 thereof.

The Series 2010 Bonds shall be issued as fully registered Bonds; shall be numbered consecutively from one upward in order of maturity preceded by the letter R; shall be in denominations of \$5,000 and integral multiples thereof, shall be dated, shall be issued in the aggregate principal amounts, shall bear interest at the rates per annum, computed on the basis of a 360-day year consisting of twelve thirty (30) day months, payable semi-annually on the first day of April and October of each year (the "Interest Payment Dates"), commencing on such date, shall have such redemption provisions and shall mature on April 1 of the years and in the amounts, as set forth in a certificate in the form attached hereto as Exhibit A signed by the Authorized Signatory. The Authorized Signatory is authorized to determine the details of the Series 2010 Bonds within the parameters set forth above, and upon such determination, to execute a certificate in the form attached hereto as Exhibit A completed with the details of the Series 2010 Bonds, thereby establishing such details.

The principal of and premium, if applicable, on the Series 2010 Bonds are payable when due upon presentation and surrender of the Series 2010 Bonds at the office of the Paying Agent. Interest payable on any Series 2010 Bond on any Interest Payment Date will be paid by check or draft of the Paying Agent mailed on the Interest Payment Date to the Holder in whose name such Bond shall be registered at the close of business on the 15th day (whether or not a Business Day) of the calendar month next preceding such Interest Payment Date, or, unless otherwise provided by Supplemental Resolution, at the written request and expense of any Holder, by bank wire transfer for the account of such Holder. In the event the interest payable on any Series 2010 Bond is not punctually paid or duly provided for by the Issuer on such Interest Payment Date, such defaulted interest will be paid to the Holder in whose name such Bond shall be registered at the close of business on a special

record date for the payment of such defaulted interest as established by notice sent by the Issuer to such Holder not less than ten (10) days preceding such special record date.

All payments of principal of, premium, if any, and interest on the Series 2010 Bonds shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

The Series 2010 Bonds shall not be secured by the Reserve Fund.

Section 4. Paying Agent and Registrar for Series 2010 Bonds. The Issuer hereby appoints U.S. Bank National Association as the Paying Agent and Registrar with respect to the Series 2010 Bonds, and authorizes the Authorized Signatory to execute a paying agent and registrar agreement between U.S. Bank National Association and the Issuer.

Section 5. Award of the Series 2010 Bonds. The Issuer hereby determines that a negotiated sale of the Series 2010 Bonds is in the best interest of the Issuer and the citizens and inhabitants of the Issuer by reason of the volatility of the market for tax-exempt bonds.

The Issuer hereby authorizes the Authorized Signatory to execute and deliver a Bond Purchaser Contract between the Issuer and Stephens, Inc. (the "Original Purchaser"), in such form as shall be approved by the Authorized Signatory on the advice of Bond Counsel, such execution to constitute conclusive evidence of such approval. Prior to execution of the Bond Purchase Contract, the Original Purchaser shall file with the Issuer the disclosures required by Section 218.385, Florida Statutes, and competitive bidding for the Series 2010 Bonds is hereby waived pursuant to the authority of Section 218.385, Florida Statutes.

Section 6. Official Statement for Series 2010 Bonds. The Issuer hereby authorizes the preparation and use of a Preliminary Official Statement relating to the Series 2010 Bonds in connection with the marketing and sale of the Series 2010 Bonds. The Authorized Signatory is authorized to "deem final" the Preliminary Official Statement for purposes of Securities and Exchange Commission Rule 15c2-12. The preparation of a final Official Statement for the Series 2010 Bonds, which shall be in substantially the form of the Preliminary Official Statement, changed to reflect the terms of the Series 2010 Bonds and with such other changes, alterations and corrections therein as may be approved by the Authorized Signatory, such approval to be conclusively established by the execution of the Official Statement, is hereby authorized, and upon preparation thereof, the Authorized Signatory is authorized and directed for and in the name of the Issuer to execute and deliver the Official Statement, as hereby approved.

Section 7. Book Entry System for Series 2010 Bonds. The Series 2010 Bonds shall be initially registered in the name of Cede & Co. ("Cede"), as nominee of The Depository Trust Company ("DTC"). Beneficial owners of the Series 2010 Bonds will not receive physical delivery of Series 2010 Bond certificates nor will they have a right to receive a certificate during the period that the Series 2010 Bonds are immobilized in the custody of DTC.

Section 8. Application of Series 2010 Bond Proceeds. Proceeds from the sale of the Series 2010 Bonds shall be applied to refund the Refunded Bonds and to pay Costs of the Series 2010

Project, as provided in the Certificate as to Bond Terms. The Series 2010 Project shall consist of such Additional Projects as may be authorized by the Issuer from time to time.

Section 9. Municipal Bond Insurance Provisions. The Bond Insurance Policy, which guarantees the payment of principal and interest on the 2010 Bonds, is hereby authorized to be purchased from the Insurer and the Authorized Signatory is authorized to execute a commitment for the Bond Insurance Policy.

The Issuer hereby makes the following covenants and agreements for the benefit of the Insurer so long as the 2010 Bonds remain Outstanding and the Bond Insurance Policy remains in effect:

A. No Purchase in Lieu of Redemption. Without the prior written consent of the Insurer, no Series 2010 Bonds shall be purchased by the Issuer, or any of its affiliates, in lieu of redemption, unless such Series 2010 Bonds are redeemed, defeased or cancelled.

B. Interest Rate Exchange Agreement. Any interest rate swap, cap, collar or similar agreement (the "Interest Rate Exchange Agreement") entered into by the Issuer in connection with the Series 2010 Bonds or any Additional Bonds subsequent to the date hereof (so long as any Series 2010 Bonds remain outstanding) shall meet the following conditions: (i) the Interest Rate Exchange Agreement must be entered into to manage interest costs related to, or a hedge against (a) assets then held, or (b) debt then outstanding, or (c) debt reasonably expected to be issued within the next twelve (12) months; and (ii) the Interest Rate Exchange Agreement shall not contain any leverage element or multiplier component greater than 1.0x unless there is a matching hedge arrangement which effectively off-sets the exposure from any such element or component. Unless otherwise consented to in writing by the Insurer, any uninsured net settlement, breakage or other termination amount then in effect shall be subordinate to debt service on the Series 2010 Bonds and on any debt on parity with the 2010 Bonds. The Issuer shall not terminate the Interest Rate Exchange Agreement unless it demonstrates to the satisfaction of the Insurer prior to the payment of any such termination amount that such payment will not cause the Issuer to be in default under the Bond Resolution, including but not limited to, any monetary obligations thereunder. All counterparties or guarantors to any Interest Rate Exchange Agreement must have a rating of at least "A-" and "A3" by Standard & Poor's ("S&P") and Moody's Investors Service ("Moody's"). If the counterparty or guarantor's rating falls below "A-" or "A3" by either S&P or Moody's, the counterparty or guarantor shall execute a credit support annex to the Interest Rate Exchange Agreement, which credit support annex shall be acceptable to the Insurer. If the counterparty or the guarantor's long term unsecured rating falls below "Baa1" or "BBB+" by either Moody's or S&P, a replacement counterparty or guarantor, acceptable to the Insurer, shall be required.

C. Notices and Other Information.

(1) Any notice that is required to be given to Holders of the Series 2010 Bonds, required pursuant to Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission or required to be given to the Paying Agent pursuant to the Bond Resolution shall also be provided to the Insurer, simultaneously with the sending of such notices.

(2) All demands, notices and other information required to be given to the Insurer shall be in writing and shall be mailed by registered or certified mail or personally delivered or sent by telefacsimile to the recipient as follows:

Assured Guaranty Corp.
1325 Avenue of the Americas
New York, New York 10019
Attn: Risk Management Department
(Re: Policy No. [____])
Telefacsimile No.: (212) 581-3268
Confirmation: (212) 974-0100
Email: riskmanagementdept@assuredguaranty.com

(In each case in which notice or other communication refers to an Event of Default, a claim on the Bond Insurance Policy or any event with respect to which failure on the part of the Insurer to respond shall be deemed to constitute consent or acceptance, then such demand, notice or other communication shall be marked to indicate "URGENT MATERIAL ENCLOSED" and shall also be sent to the attention of the General Counsel at the same address and telefacsimile number above or at generalcounsel@assuredguaranty.com.)

(3) The Insurer shall have the right to receive such additional information as it may reasonably request.

(4) The Issuer will permit the Insurer to discuss the affairs, finances and accounts of the Issuer or any information the Insurer may reasonably request regarding the security for the Series 2010 Bonds with appropriate officers of the Issuer and will use commercially reasonable efforts to enable the Insurer to have access to the facilities, books and records of the Issuer on any business day upon reasonable prior notice.

(5) The Paying Agent shall notify the Insurer of any failure of the Issuer to provide notices, certificates and other information under the Bond Resolution.

D. Defeasance. In the event that the principal and/or interest due on the Series 2010 Bonds shall be paid by the Insurer pursuant to the Bond Insurance Policy, the Series 2010 Bonds shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Issuer, and the assignment and pledge of the trust estate and all covenants, agreements and other obligations of the Issuer to the registered owners shall continue to exist and shall run to the benefit of the Insurer, and the Insurer shall be subrogated to the rights of such registered owners including, without limitation, any rights that such owners may have in respect of securities law violations arising from the offer and sale of the Series 2010 Bonds.

E. The Insurer as Third Party Beneficiary. The Insurer is explicitly recognized as being a third party beneficiary hereunder and may enforce any such right, remedy or claim conferred, given or granted hereunder.

F. Control Rights. The Insurer shall be deemed to be the holder of all of the Series 2010 Bonds for purposes of (a) exercising all remedies and directing the Paying Agent to take actions or for any other purposes following an Event of Default (as defined herein), and (b) granting any consent, waiver, direction or approval or taking any action permitted hereunder to be granted or taken by the holders of such Series 2010 Bonds.

G. Consent Rights of the Insurer.

(1) Any provision hereof expressly recognizing or granting rights in or to the Insurer may not be amended in any manner that affects the rights of the Insurer hereunder without the prior written consent of the Insurer.

(2) Any material reorganization or liquidation plan with respect to the Issuer must be acceptable to the Insurer. In the event of any such reorganization or liquidation, the Insurer shall have the right to vote on behalf of all Bondholders who hold Series 2010 Bonds guaranteed by the Insurer absent a payment default by the Insurer under the Bond Insurance Policy.

(3) Anything herein to the contrary notwithstanding, upon the occurrence and continuance of an event of default as defined herein, the Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted to the Bondholders or the Paying Agent for the benefit of the Bondholders hereunder.

H. Reimbursement Obligations.

(1) The Issuer hereby agrees to pay or reimburse the Insurer for (A) all amounts paid by the Insurer under the Bond Insurance Policy, and (B) to the extent permitted by law, any and all charges, fees, costs and expenses which the Insurer may reasonably pay or incur, including, but not limited to, fees and expenses of attorneys, accountants, consultants and auditors and reasonable costs of investigations, in connection with (i) any accounts established to facilitate payments under the Bond Insurance Policy, (ii) the administration, enforcement, defense or preservation of any rights in respect hereof, including defending, monitoring or participating in any litigation or proceeding (including any bankruptcy proceeding in respect of the Issuer or any affiliate thereof) relating hereto or the transaction contemplated hereby, (iii) the disposition of the Pledged Funds or the pursuit of any remedies hereunder or under the Bond Resolution, to the extent such costs and expenses are not recovered from such disposition, or (iv) any amendment, waiver or other action with respect to, or related hereto or to the Bond Resolution whether or not executed or completed; costs and expenses shall include a reasonable allocation of compensation and overhead attributable to time of employees of the Insurer spent in connection with the actions described in clauses (ii) - (iv) above. In addition, the Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect hereof or of the Bond Resolution. The Issuer will pay interest on the amounts owed in this paragraph from the date of any payment due or paid, at the per annum rate of interest publicly announced from time to time by JP Morgan Chase Bank, National Association at its principal office in New York, New York as its prime lending rate (any change in such prime rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank, National Association) plus three percent (3%) per annum (the "Reimbursement Rate"). The Reimbursement Rate shall be calculated on the basis of the actual number of days elapsed over a

360-day year. In the event JPMorgan Chase Bank ceases to announce its prime rate publicly, the prime rate shall be the publicly announced prime rate or base lending rate of such national bank, as the Insurer shall specify.

(2) In addition to any and all rights of reimbursement, subrogation and any other rights pursuant hereto or under law or in equity, the Issuer agrees to pay or reimburse the Insurer, to the extent permitted by law, for any and all charges, fees, costs, claims, losses, liabilities (including penalties), judgments, demands, damages, and expenses which the Insurer or its officers, directors, shareholders, employees, agents and each Person, if any, who controls the Insurer within the meaning of either Section 15 of the Securities Act of 1933, as amended, or Section 20 of the Securities Exchange Act of 1934, as amended, may reasonably pay or incur, including, but not limited to, fees and expenses of attorneys, accountants, consultants and auditors and reasonable costs of investigations, of any nature in connection with, in respect of or relating to the transactions contemplated hereby or any other financing document by reason of:

(a) any omission or action (other than of or by the Insurer) in connection with the offering, issuance, sale, remarketing or delivery of the Series 2010 Bonds;

(b) the negligence, bad faith, willful misconduct, misfeasance, malfeasance or theft committed by any director, officer, employee or agent of the Issuer in connection with any transaction arising from or relating hereto or any other financing document;

(c) the violation by the Issuer of any law, rule or regulation, or any judgment, order or decree applicable to it;

(d) the breach by the Issuer of any representation, warranty or covenant hereunder or any other financing document or the occurrence, in respect of the Issuer, hereunder or any other financing document of any "event of default" or any event which, with the giving of notice or lapse of time or both, would constitute any "event of default"; or

(e) any untrue statement or alleged untrue statement of a material fact contained in any official statement relating to the Series 2010 Bonds, if any, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such claims arise out of or are based upon any untrue statement or omission in information included in an official statement, if any, and furnished by the Insurer in writing expressly for use therein.

I. Payment Procedure Under the Bond Insurance Policy.

(1) At least two (2) Business Days prior to each payment date on the Series 2010 Bonds, the Paying Agent will determine whether there will be sufficient funds to pay all principal of and interest on the Series 2010 Bonds due on the related payment date and shall immediately notify the Insurer or its designee on the same Business Day by telephone or electronic mail, confirmed in writing by registered or certified mail, of the amount of any deficiency. Such notice shall specify the amount of the anticipated deficiency, the Series 2010 Bonds to which such deficiency is applicable and whether such Series 2010 Bonds will be deficient as to principal or interest or both. If the

deficiency is made up in whole or in part prior to or on the payment date, the Paying Agent shall so notify the Insurer or its designee.

(2) The Paying Agent shall, after giving notice to the Insurer as provided above, make available to the Insurer and, at the Insurer's direction, to any agent of the Insurer (the "Fiscal Agent"), the registration books of the Issuer maintained by the Paying Agent and all records relating to the funds maintained under the Bond Resolution.

(3) The Paying Agent shall provide the Insurer and any Fiscal Agent with a list of registered owners of Series 2010 Bonds entitled to receive principal or interest payments from the Insurer under the terms of the Bond Insurance Policy, and shall make arrangements with the Insurer, the Fiscal Agent or another designee of the Insurer to (i) mail checks or drafts to the registered owners of Series 2010 Bonds entitled to receive full or partial interest payments from the Insurer and (ii) pay principal upon Series 2010 Bonds surrendered to the Insurer, the Fiscal Agent or another designee of the Insurer by the registered owners of Series 2010 Bonds entitled to receive full or partial principal payments from the Insurer.

(4) The Paying Agent shall, at the time it provides notice to the Insurer of any deficiency pursuant to clause (1) above, notify registered owners of Series 2010 Bonds entitled to receive the payment of principal or interest thereon from the Insurer (i) as to such deficiency and its entitlement to receive principal or interest, as applicable, (ii) that the Insurer will remit to them all or a part of the interest payments due on the related payment date upon proof of its entitlement thereto and delivery to the Insurer or any Fiscal Agent, in form satisfactory to the Insurer, of an appropriate assignment of the registered owner's right to payment, (iii) that, if they are entitled to receive partial payment of principal from the Insurer, they must surrender the related Series 2010 Bonds for payment first to the Paying Agent, which will note on such Series 2010 Bonds the portion of the principal paid by the Paying Agent and second to the Insurer or its designee, together with an appropriate assignment, in form satisfactory to the Insurer, to permit ownership of such Series 2010 Bonds to be registered in the name of the Insurer, which will then pay the unpaid portion of principal, and (iv) that, if they are entitled to receive full payment of principal from the Insurer, they must surrender the related Series 2010 Bonds for payment to the Insurer or its designee, rather than the Paying Agent, together with the an appropriate assignment, in form satisfactory to the Insurer, to permit ownership of such Series 2010 Bonds to be registered in the name of the Insurer.

(5) In addition, if the Paying Agent has notice that any holder of the Series 2010 Bonds has been required to disgorge payments of principal or interest on the Series 2010 Bonds previously Due for Payment pursuant to a final non-appealable order by a court of competent jurisdiction that such payment constitutes an avoidable preference to such holder within the meaning of any applicable bankruptcy laws, then the Paying Agent shall notify the Insurer or its designee of such fact by telephone or electronic notice, confirmed in writing by registered or certified mail.

(6) The Paying Agent will be hereby irrevocably designated, appointed, directed and authorized to act as attorney-in-fact for holders of the Series 2010 Bonds as follows:

(a) If and to the extent there is a deficiency in amounts required to pay interest on the Series 2010 Bonds, the Paying Agent shall (a) execute and deliver to the Insurer, in form satisfactory

to the Insurer, an instrument appointing the Insurer as agent for such holders in any legal proceeding related to the payment of such interest and an assignment to the Insurer of the claims for interest to which such deficiency relates and which are paid by the Insurer, (b) receive as designee of the respective holders (and not as Paying Agent) in accordance with the tenor of the Bond Insurance Policy payment from the Insurer with respect to the claims for interest so assigned, and (c) disburse the same to such respective holders; and

(b) If and to the extent of a deficiency in amounts required to pay principal of the Series 2010 Bonds, the Paying Agent shall (a) execute and deliver to the Insurer, in form satisfactory to the Insurer, an instrument appointing the Insurer as agent for such holder in any legal proceeding related to the payment of such principal and an assignment to the Insurer of the Series 2010 Bonds surrendered to the Insurer in an amount equal to the principal amount thereof as has not previously been paid or for which moneys are not held by the Paying Agent and available for such payment (but such assignment shall be delivered only if payment from the Insurer is received), (b) receive as designee of the respective holders (and not as Paying Agent) in accordance with the tenor of the Bond Insurance Policy payment therefore from the Insurer, and (c) disburse the same to such holders.

(7) Payments with respect to claims for interest on and principal of Series 2010 Bonds disbursed by the Paying Agent from proceeds of the Bond Insurance Policy shall not be considered to discharge the obligation of the Issuer with respect to such Series 2010 Bonds, and the Insurer shall become the owner of such unpaid Series 2010 Bonds and claims for the interest in accordance with the tenor of the assignment made to it under the provisions of this subsection or otherwise.

(8) Irrespective of whether any such assignment is executed and delivered, the Issuer and the Paying Agent hereby agree for the benefit of the Insurer that:

(a) they recognize that to the extent the Insurer makes payments directly or indirectly (e.g., by paying through the Paying Agent), on account of principal of or interest on the Series 2010 Bonds, the Insurer will be subrogated to the rights of such holders to receive the amount of such principal and interest from the Issuer, with interest thereon as provided and solely from the sources stated in the Bond Resolution and the Series 2010 Bonds; and

(b) they will accordingly pay to the Insurer the amount of such principal and interest, with interest thereon as provided herein and in the Bond Resolution and the Series 2010 Bonds, but only from the sources and in the manner provided herein and therein for the payment of principal of and interest on the Series 2010 Bonds to holders, and will otherwise treat the Insurer as the owner of such rights to the amount of such principal and interest.

(9) the Insurer shall be entitled to pay principal or interest on the Series 2010 Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment (as such terms are defined in the Bond Insurance Policy) and any amounts due on the Series 2010 Bonds as a result of acceleration of the maturity thereof in accordance with this agreement, whether or not the Insurer has received a Notice (as defined in the Bond Insurance Policy) of Nonpayment or a claim upon the Bond Insurance Policy.

(10) In addition, the Insurer shall, to the extent it makes any payment of principal or interest on the Series 2010 Bonds become subrogated to the rights of the recipients of such payments in accordance with the terms of the Bond Insurance Policy, and to evidence such subrogation (i) in the case of claims for interest, the Paying Agent shall note the Insurer's rights as subrogee on the registration books of the Issuer maintained by the Paying Agent, upon receipt of proof of payment of interest thereon to the registered holders of the Series 2010 Bonds, and (ii) in the case of claims for principal, the Paying Agent, if any, shall note the Insurer's rights as subrogee on the registration books of the Issuer maintained by the Paying Agent, upon surrender of the Series 2010 Bonds together with receipt of proof of payment of principal thereof.

Section 10. Refunded Bonds. The Refunded Bonds and the redemption date shall be identified in the Certificate Establishing Bond Terms.

The Issuer hereby appoints Causey Demgen & Moore CPA as the independent certified public accountant to verify the calculations of the sufficiency of amounts to be deposited pursuant to the Escrow Deposit Agreement to pay the principal and interest on the Refunded Bonds.

The Issuer hereby appoints U.S. Bank National Association as Escrow Agent for the Refunded Bonds.

The Issuer hereby authorizes the Authorized Signatory to execute and deliver an Escrow Deposit Agreement between the Issuer and the Escrow Agent in such form as shall be approved by the Authorized Signatory on the advice of Bond Counsel, such execution to constitute conclusive evidence of such approval.

Section 11. Continuing Disclosure Compliance. The Issuer hereby covenants and agrees that, so long as any of the Series 2010 Bonds remain outstanding, it will provide, in a manner consistent with Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") (a) through Electronic Municipal Market Access ("EMMA") (i) on or before one year after each fiscal year financial information and operating data of the Issuer for the preceding fiscal year of the type included in the Official Statement for the Series 2010 Bonds, including, but not necessarily limited to the operating data contained under the caption "The Pledged Revenues" and (ii) if not submitted as part of the annual financial information pursuant to (i), then, when and if available, audited financial statements of the Issuer prepared in accordance with generally accepted accounting principles; (b) in a timely manner, to EMMA, written notice of the occurrence of any of the following events with respect to the Series 2010 Bonds, if material: (i) principal and interest payment delinquencies; (ii) non-payment related defaults; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) adverse tax opinions, or events affecting the tax-exempt status of the security; (vi) modifications to rights of security holders; (vii) any call of the Series 2010 Bonds for redemption other than mandatory sinking fund redemptions of term bonds; (viii) defeasances; (ix) release, substitution, or sale of property securing the repayment of the securities; (x) substitution of credit or liquidity providers, or their failure to perform; (xi) rating changes; (xii) any change in the fiscal year of the Issuer; (c) in a timely manner, to EMMA, written notice of a failure of the Issuer to provide the financial information described in (a)(i) above, on or before the date specified above, and (d) any other information required to be disclosed to any person to whom it is required to be disclosed by the Rule.

The Issuer also covenants to promptly provide a copy of the above information the Insurer and the Original Purchaser.

The foregoing covenants shall run to the benefit of the Series 2010 Bondholders and the beneficial owners thereof. However, failure to meet the covenants set forth in this Section 11 shall not be deemed to constitute an event of default or a breach of any other covenant under the Bond Resolution or this Resolution, and the sole remedy for such a default or breach shall be as described in the next paragraph.

The Bondholder of any Series 2010 Bond or any beneficial owner may either at law or in equity, by suit, action, mandamus or other proceeding in any court or competent jurisdiction, protect and enforce any and all rights granted or contained in this Section 11 and may enforce any compel the performance of all duties required hereby to be performed by the Issuer or by any officers thereof. Notwithstanding the foregoing, the enforcement of the covenants contemplated hereby shall not affect the validity or enforceability of the Series 2010 bonds.

Notwithstanding any other provision of this Resolution, this Section 11 may be amended only as follows: (a) the amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Issuer or the type of business conducted by the Issuer; (b) the provisions of this Section 11, as amended, would have complied with the requirements of Rule 15c2-12 of the Securities and Exchange Commission as in effect as of the date of issuance of the Series 2010 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (c) the amendment does not materially impair the interest of the Series 2010 Bondholders and/or beneficial owners as determined by an opinion of nationally recognized bond counsel delivered to the Issuer, or by approving vote of the beneficial owners of the Series 2010 Bonds at the time of the amendment. In the event of any amendment hereto, the annual financial information provided subsequent to such amendment shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided by the Issuer. If the amendment affects the accounting principles to be followed in preparing financial statements of the Issuer, the annual financial information for the year in which the change is made must present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison must include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the Issuer to meet its obligations. To the extent reasonably feasible, the comparison should also be quantitative. A notice of the change in the accounting principles must be sent to EMMA.

Section 12. Amendments to Bond Resolution. The following amendments to the Bond Resolution shall take effect upon and only upon the issuance of the Series 2010 Bonds and the defeasance of the Refunded Bonds. By virtue of its purchase of the Series 2010 Bonds, the Original Purchaser shall be deemed to have consented to the amendments to the Bond Resolution set forth herein. The Series 2010 Bonds shall provide that the Holders thereof, from time to time, shall, by virtue of acceptance of the Series 2010 Bonds, have assented to such amendments.

(a) The definition of "Racetrack Revenues" contained in the Bond Resolution is amended and restated to provide:

"Sales Tax Revenues" means that portion of the Pari-Mutuel Wagering Trust Fund moneys distributed to the Issuer pursuant to Chapter 65-1164, Laws of Florida and Chapter 550, Florida Statutes, and any funds distributed by the State in lieu thereof, including but not limited to the revenues distributed pursuant to Section 212.20(6)(d)(7), Florida Statutes."

(b) Section 5.02(B) of the Bond Resolution is amended by striking the words "Pari-Mutuel Wagering Trust Fund Moneys allocated to the Issuer pursuant to Chapter 65-1164, Laws of Florida and Chapter 550, Florida Statutes" and substituting in lieu thereof the words "Sales Tax Revenues" and also by striking the words "increased Pari-Mutuel Wagering Trust Fund moneys" and substituting in lieu thereof "Sales Tax Revenues."

(c) All references in the Bond Resolution to "Racetrack Revenues" are amended to be references to "Sales Tax Revenues."

(d) All references in the Bond Resolution to "April 1" and "October 1," respectively, are amended to be references to "May 1" and "November 1," respectively.

Section 13. Authorizations. The members of the School Board, the Superintendent, the Assistant Superintendent for Business Affairs and the attorney for the Issuer are hereby jointly and severally authorized to do all acts and things required of them by this resolution or the Bond Resolution, or desirable or consistent with the requirements hereof or thereof, for the full, punctual and complete performance of all terms, covenants and agreements contained in the Series 2010 Bonds, the Bond Resolution and this resolution.

Section 14. Resolution to Constitute a Contract. In consideration of the purchase and acceptance of the Series 2010 Bonds authorized to be issued hereunder by those who shall be the Holders thereof from time to time, this resolution shall constitute a contract among the Issuer, the Insurer and such Holders, and all covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit and security of all of the Holders.

Section 15. No Implied Beneficiary. With the exception of any rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this resolution or the Series 2010 Bonds is intended or shall be construed to give any person other than the Issuer, the Insurer and the Holders, any legal or equitable right, remedy or claim under or with respect to this resolution, or any covenants, conditions and provisions herein contained; this resolution and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the Issuer and the Holders.

Section 16. Severability. If any provision of this resolution shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable in any context, the same shall not affect any other provision herein or render any other provision (or such provision in any other context) invalid, inoperative or unenforceable to any extent whatsoever.

Section 17. Repealer. All resolutions or parts thereof of the Issuer in conflict with the provisions herein contained are, to the extent of any such conflict, hereby superseded and repealed.

Section 18. Effective Date. This resolution shall take effect immediately upon its adoption.

Duly adopted by the School Board of Clay County, Florida this 17th day of December, 2009.

CLAY COUNTY SCHOOL BOARD MEMBERS
CLAY COUNTY, FLORIDA

ATTEST:

Ben Wortham
Superintendent
Clay County School Board

By: _____
Lisa Graham, Chairperson

By: _____
Frank Farrell

By: _____
Carol Studdard

By: _____
Carol Vallencourt

By: _____
Charles E. Van Zant, Jr.

Exhibit A

Terms of the Series 2010 Bonds

(a) Dated Date:

(b) Amounts, Maturities and Interest Rates:

<u>Amount</u>	<u>Maturity</u> <u>(May 1)</u>	<u>Interest</u> <u>Rate</u>
\$		

(c) Mandatory Redemption. The Series 2010 Bonds maturing on May 1 in the year(s) ____ and ____, are subject to mandatory redemption prior to maturity, in part, by lot, at a redemption price equal to the unpaid principal amount of the Series 2010 Bonds to be redeemed, plus interest accrued thereon to the date of redemption, on April 1 in the following years and in the following amounts:

<u>Year</u>	<u>Amount</u> <u>Redeemed</u>
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*

*Maturity, not a redemption.

(d) Optional Redemption. The Series 2010 Bonds maturing in the years 20__ and thereafter, are subject to redemption prior to their stated dates of maturity, at the option of the Issuer, as a whole or in part on May 1, 20__, at a redemption price equal to the principal amount thereof, together with accrued interest on such principal amount to the redemption date. Any notice of redemption may be conditional, and if the conditions to the redemption are not satisfied, then the redemption will not occur and the Series 2010 Bonds which were to have been redeemed shall remain outstanding.

(e) Application of Proceeds of Series 2010 Bonds and Refunded Bonds.

(f) Other:

The above-terms of the School Board of Clay County, Florida Revenue Bonds, Series 2010 are hereby approved pursuant to Resolution No. ____ of the Issuer.

School Board of Clay County, Florida

By: _____

Title:

Date: _____, 2010