

REVOLVING LINE OF CREDIT AGREEMENT

between

SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

and

PNC BANK, NATIONAL ASSOCIATION

Dated June 27, 2019

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EXHIBIT A - FORM OF NOTE

EXHIBIT B - FORM OF DRAW CERTIFICATE

This REVOLVING LINE OF CREDIT AGREEMENT made and entered as of June 27, 2019, by and between THE SCHOOL BOARD OF PALM BEACH COUNTY, FLORIDA (the "Board"), acting as the governing body of the SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA (the "District"), and PNC BANK, NATIONAL ASSOCIATION (the "Lender").

WITNESSETH

WHEREAS, the District has determined that it is necessary, desirable and in the best interests of the District to issue its \$80,000,000 initial aggregate stated principal amount of Sales Tax Revenue Note, Series 2019 (the "Note"), for the principal purpose of financing a portion of the Project (as defined and described in the Master Resolution described below).

WHEREAS, the Note qualifies as a "Bond" as such term is defined in the Master Resolution.

WHEREAS, the District has determined that it is without adequate currently available funds to finance the Project and it is necessary that funds be made immediately available to the District in order to finance the Project.

WHEREAS, the District has determined that it is in its best interest to accept the proposal of the Lender as set out herein.

WHEREAS, the Lender has agreed to lend the District up to the initial aggregate principal amount of \$80,000,000 in return for the Note.

WHEREAS, the Note shall not constitute a general obligation or indebtedness of the District as a "bond" within the meaning of any provision of the Constitution of the State, but shall be and is hereby declared to be a limited obligation of the District, the principal of and interest on which is payable solely from the Pledged Funds (as defined below) in the manner provided herein and in the Resolution (as defined below) *pari passu* with all other Bonds issued under the Master Resolution, the principal of and interest on the Note and all other payments provided for herein to be paid solely from the Pledged Funds, and it will never be necessary or authorized to levy taxes on any real property of or in the District to pay the principal of or interest on the Note or other payments provided for herein. Furthermore, neither the Note nor the interest thereon shall be or constitute a lien upon the Project or upon any other property of or in the District other than the Pledged Funds in the manner provided herein.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein set forth and other good and valuable consideration, the receipt and sufficient of which are hereby acknowledged, the parties do hereby agree as follows:

SECTION 1. DEFINITIONS. Terms used herein and not otherwise defined herein shall have the meanings given to such terms in the hereinafter described Resolution. In addition, the following terms shall have the following meanings herein, unless the text otherwise expressly requires:

“Act” means Section 212.055(2), Florida Statutes, Chapters 1001, 1011 and 1013, Florida Statutes, the Constitution of the State of Florida and other applicable provisions of law.

“Applicable Spread” means initially, 41 basis points (0.41%), which Applicable Spread is subject to the maintenance of the current long-term unenhanced debt ratings assigned by Moody’s and Fitch to the District’s Certificates of Participation. In the event of a change in the long-term unenhanced debt ratings assigned by Moody’s or Fitch to the Certificates of Participation, the Applicable Spread shall be the number of basis points associated with such new rating as set forth in the following schedule:

Credit Rating (Moody’s/Fitch)	Three-Year Line of Credit Annual Fee (utilized/unutilized)
Aa2/AA	41 bps/10 bps
Aa3/AA-	41 bps/10 bps
A1/A+	46 bps/10 bps
A2/A	51 bps/15 bps
A3/A-	61 bps/15 bps
Baaa1/BBB+	71 bps/20 bps
Baa2/BBB	86 bps/25 bps
Baa3/BBB-	106 bps/25 bps

In the event there is a split between such ratings, the lower rating will prevail for purposes of determining the Applicable Spread. References to ratings above are references to rating categories as presently determined by the Rating Agencies and in the event of adoption of any new or changed rating system, the ratings from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system that most closely approximates the applicable rating category as currently in effect.

“Authorized Investments” means any obligations, deposit certificates, or other evidences of indebtedness legal for investment pursuant to law, to the extent not inconsistent with the terms of the investment policy of the District and applicable law.

“Authorized District Officer” means each of the Chair and Vice Chair of the Board, the Superintendent, the Chief Financial Officer and the Treasurer of the District, and when used in reference to any act or document, also means any other person authorized by resolution of the Issuer to perform such act or sign such document, or such other person as may be designated by any of them.

“Available Commitment” means, on any date, an initial amount equal to \$80,000,000 adjusted from time to time as follows: (a) downward in an amount equal to a Draw pursuant to this Agreement; (b) upward in an amount equal to the principal amount of any Draw made to the District under the this Agreement that is repaid or prepaid, as applicable, in the manner provided herein; (c) upward in an amount equal to an increase in stated principal amount pursuant to Section 4A hereof, and (d) downward to zero upon the expiration or termination of the Available

Commitment in accordance with the terms of this Agreement; provided, that, after giving effect to any of the foregoing adjustments the Available Commitment shall never exceed \$200,000,000 at any one time.

“Base Rate” shall mean the highest of the (i) the Prime Rate, (ii) daily Libor plus 100 basis points (1.00%), and (iii) Federal Funds Rate plus fifty basis points (.50%).

“Board” shall mean The School Board of Palm Beach County, Florida, the governing body of the District, or its successor in function.

“Business Day” shall mean (i) any day other than a Saturday or Sunday or a legal holiday on which commercial banks are authorized or required by law to be closed for business in New York, New York and (ii) with respect to all notices and determinations in connection with the LIBOR Period Rate, any day that is a Business Day described in clause (i) above that is also a day for trading by and between banks in U.S. Dollar deposits in the London interbank deposit market.

“Certificates of Participation” means certificates of participation issued under the Master Trust Agreement dated as of November 1, 1994, by and between Palm Beach School Board Leasing Corp., and The Bank of New York Mellon Trust Company, N.A.

“Code” means the Internal Revenue Code of 1986, as amended, and the regulations, procedures and rules thereunder in effect or proposed.

“Debt Service Fund” means the fund created and established pursuant to Section 10(D) hereof.

“Default Rate” shall mean the Lender’s Base Rate plus 300 basis points (3.00%).

“Determination of Taxability” means the circumstance of the interest on the Note becoming includable for federal income tax purposes in the gross income of the Lender as a result of specific action or inaction taken by the District. A Determination of Taxability will be deemed to have occurred upon (i) the receipt by the District or the Lender of an original or a copy of an Internal Revenue Service Technical Advice Memorandum or Statutory Notice of Deficiency; (ii) the issuance of any public or private ruling of the Internal Revenue Service; or (iii) receipt by the District or the Lender of an opinion of counsel experienced in tax matters relating to municipal bonds, in each case to the effect that the interest on the Note is not excluded from gross income of the Lender for federal income tax purposes, but in each case only after the District shall have been afforded a reasonable opportunity to contest the same.

“District” means the School District of Palm Beach County, Florida, a governmental authority and political subdivision created by Article IX, Section 4 of the Florida Constitution.

“Draw” shall mean a draw upon proceeds of the Note to pay a portion of the cost of the Project.

“Draw Certificate” shall mean the Certificate to be executed in connection with each Draw as required by Section 10(F) hereof, the form of which is attached as Exhibit B.

“Electronic Means” shall mean telecopy, e-mail transmission or other similar electronic means of communication providing evidence of transmission.

“Federal Funds Rate” shall mean the interest rate at which depository institutions lend reserve balances to other depository institutions overnight, on an uncollateralized basis.

“Fiscal Year” means the period from July 1 to the succeeding June 30, or such other period as may be prescribed by law.

“Fitch” means Fitch Ratings, Inc., or if such corporation is dissolved or liquidated or otherwise ceases to perform securities rating services, such other nationally recognized statistical rating organization as may be designated in writing by the District and reasonably acceptable to the Lender.

“Lender” means PNC Bank, National Association, as initial registered owner of the Note, or its successor in interest or its assigns.

“LIBOR” shall mean, the rate which appears on the Bloomberg Page BBAM1 (or on such other substitute Bloomberg page that displays rates at which US dollar deposits are offered by leading banks in the London interbank deposit market) for a 1, 3, or 6 month period corresponding to the applicable LIBOR Period, at approximately 11:00 a.m., London time, two (2) Business Days preceding the first day of each LIBOR Period.

“LIBOR Period” means a period commencing on a Business Day and continuing for 1, 3, or 6 months, as designated by the District, during which all or a portion of the outstanding principal balance of the related Revolving Loan bears interest determined in relation to the LIBOR Period Rate; provided however, that (i) if the day after the end of any LIBOR Period is not a Business Day (so that a new LIBOR Period could not be selected by the District to start on such day), then unless otherwise expressly indicated by the District to the Bank at the time such LIBOR Period is selected by the District, such LIBOR Period shall continue up to, but shall not include, the next Business Day after the end of such LIBOR Period, unless the result of such extension would be to cause any immediately following LIBOR Period to begin in the next calendar month in which event the LIBOR Period shall continue up to, but shall not include, the Business Day immediately preceding the last day of such LIBOR Period, and (ii) no LIBOR Period shall extend beyond the Maturity Date.

“LIBOR Period Rate” shall mean, for each LIBOR Period, the interest rate per annum determined by the Lender by dividing (i) the Stated Rate, by (ii) a number equal to 1.00 minus the LIBOR Reserve Percentage, provided, however, if the LIBOR Period Rate, determined as provided above, would be less than zero, then the LIBOR Period Rate shall be deemed to be zero. Upon the occurrence and continuance of an Event of Default as set forth in Section 16 hereof, the Note shall bear interest at the Default Rate.

“LIBOR Reserve Percentage” shall mean the maximum effective percentage in effect on such day as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the reserve requirements (including, without limitation, supplemental, marginal and emergency reserve requirements) with respect to eurocurrency funding (currently referred to as “Eurocurrency liabilities”).

“Master Resolution” shall mean the Resolution adopted by the School Board on May 8, 2019, authorizing the issuance of Sales Tax Revenue Bonds (as defined therein) secured by the District’s share of the one cent local government infrastructure sales surtax levied and collected pursuant to Section 212.055(2), Florida Statutes, and Ordinance No. 2016-032 of Palm Beach County, Florida.

“Maturity Date” means the date on which the principal and interest on the Note, or any portion thereof, shall be payable.

“Moody’s” means Moody’s Investors Service, Inc. or if such corporation is dissolved or liquidated or otherwise ceases to perform securities rating services, such other nationally recognized statistical rating organization as may be designated in writing by the District and reasonably acceptable to the Lender.

“Note” means the Note of the District delivered to the Lender in substantially the form attached hereto as **Exhibit A**, with such modifications thereto as may be approved by the Chair, upon the advice of the Superintendent and the District’s financial advisor, such approval to be presumed by the Chair’s execution thereof.

“Overnight Bank Funding Rate” means, for any day, the rate comprised of both overnight federal funds and overnight Eurocurrency borrowings by U.S.- managed banking offices of depository institutions, as such composite rate shall be determined by the Federal Reserve Bank of New York (“NYFRB”), as set forth on its public website from time to time, and as published on the next succeeding Business Day as the overnight bank funding rate by the NYFRB (or by such other recognized electronic source (such as Bloomberg) selected by the Lender for the purpose of displaying such rate); provided, that if such day is not a Business Day, the Overnight Bank Funding Rate for such day shall be such rate on the immediately preceding Business Day; provided, further, that if such rate shall at any time, for any reason, no longer exist, a comparable replacement rate determined by the Lender at such time (which determination shall be conclusive absent manifest error). If the Overnight Bank Funding Rate determined as above would be less than zero, then such rate shall be deemed to be zero.

“Paying Agent” shall mean initially the District.

“Person” or words importing persons, means firms, associations, partnerships (including without limitation, general and limited partnerships), joint ventures, societies, estates, trusts, corporations, public or governmental bodies, other legal entities and natural persons.

“Pledged Funds” shall mean, until applied in accordance with the provisions of this Loan Agreement, (1) the Sales Tax Revenues, and (2) until applied in accordance with the provisions of the Resolution, all moneys, including investments thereof, in the funds and accounts

established thereunder except (A) for the Unrestricted Revenue Account and the Rebate Fund and (B) any moneys set aside in a particular subaccount of the Reserve Account if such moneys shall be pledged solely for the payment of a different Series of Bonds for which it was established in accordance with the provisions thereof.

“Prime Rate” shall mean the rate publicly announced by PNC Bank, National Association from time to time as its prime rate. The Prime Rate is determined from time to time by PNC Bank, National Association, as a means of pricing some loans to its borrowers. The Prime Rate is not tied to any external rate of interest or index, and does not necessarily reflect the lowest rate of interest actually charged by the Lender to any particular class or category of customers. If and when the Prime Rate changes, the rate of interest with respect to any amounts hereunder to which the Prime Rate applies will change automatically without notice to the District, effective on the date of any such change.

“Project Fund” shall mean the fund created and established pursuant to Section 10(F) hereof.

“Rating Agency” means any one or both of Moody’s and Fitch.

“Register” means the books maintained by the Registrar in which are recorded the name and address of the holder of the Note.

“Registrar” shall mean, initially the District.

“Regulations” means the Income Tax Regulations promulgated by the Internal Revenue Service under Sections 103, 141 through 150 and 265 of the Internal Revenue Code of 1986 in effect from time to time.

“Resolution” shall mean the Master Resolution as amended and supplemented by the Supplemental Resolution.

“Revolving Loan” shall have the meaning set forth in Section 3A hereof.

“State” means the State of Florida.

“Stated Rate” shall mean a variable rate equal to 79% of LIBOR, plus the Applicable Spread, adjusted on and as of (i) the first day of each LIBOR Period, and (ii) the effective date of any change in the LIBOR Reserve Percentage, and subject to further adjustment as set forth in Section 4(C) hereof. The Lender shall give prompt notice to the District of the Stated Rate as determined or adjusted in accordance herewith, which determination shall be conclusive absent manifest error.

“Supplemental Resolution” shall mean the Resolution amending and supplementing the Master Resolution, adopted by the School Board on May 8, 2019.

“Unused Fee” shall mean 10 basis points of the unused portion of the Available Commitment.

SECTION 2. INTERPRETATION. Unless the context clearly requires otherwise, words of masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa. This Agreement and all the terms and provisions hereof shall be construed to effectuate the purpose set forth herein and to sustain the validity hereof.

SECTION 3. THE REVOLVING LOAN.

A. Revolving Loan. The Lender hereby makes and the District hereby accepts the Available Commitment in the initial aggregate stated principal amount of \$80,000,000 upon the terms and conditions herein. Each Draw shall constitute a loan made by the Bank to the District on the date of such Draw (individually, a "Revolving Loan" and collectively, the "Revolving Loans").

B. Disbursement of Proceeds. Proceeds of a Revolving Loan shall be disbursed to the District as follows:

(i) An amount of the Revolving Loan proceeds shall be applied to the payment of costs and expenses relating to the issuance of the Note.

(ii) The balance of Revolving Loan proceeds shall be drawn as provided in Section 10(F) hereof and, when drawn, deposited to the Project Fund established by the District and applied to pay a portion of the cost of the Project.

SECTION 4. DESCRIPTION OF NOTE.

A. General. The Revolving Loans shall be evidenced by the Note. The Note shall be dated as of the date of initial delivery thereof; shall mature on June 27, 2022, shall be in registered form; and shall bear interest from the respective dates each Draw is made pursuant to the terms hereof until payment of the principal amounts thereof, at the applicable LBOR Period Rate. Interest on the Note shall be payable on the first day of each month, commencing August 1, 2019, and at the maturity of the Note, calculated on the daily outstanding principal balance on an actual / 365 day year plus the Unused Fee and will be due monthly on the first day of the each month. Notwithstanding the foregoing, in the event the District draws 60% or more of the Available Commitment within six months of the dated date of the Note or within any six month period thereafter, the Unused Fee shall be waived for the period beginning on the date of a Draw which in the aggregate of Draws made within such six month period equals or exceeds 60%, through the balance of a year commencing with such Draw.

If the District desires to increase the Available Commitment the District shall provide its written request to the Lender and, subject to and upon agreement by the Lender and the District to the terms of such extension and receipt of an opinion at the expense of the District of nationally recognized bond counsel that interest on the Note will continue to be excludable from gross income for federal income tax purposes, the Available Commitment shall be increased as

described in clause (c) of the definition of Available Commitment, provided the aggregate stated principal amount of the Note shall not exceed \$200,000,000.

If the District desires to extend the Maturity Date of the Note past June 27, 2022, it shall provide its written request to the Lender not later than ninety (90) days before the scheduled Maturity Date, and, subject to and upon agreement by the Lender and the District to the terms of such extension and receipt of an opinion of nationally recognized bond counsel that interest on the Note will continue to be excluded from gross income for federal income tax purposes, the Maturity Date shall be extended for a period and upon terms and conditions agreed upon by the District and the Lender.

B. Prepayment. The Note may be prepaid in whole or in part on any Business Day, upon at least two Business Days' prior written notice to the Lender specifying the amount of prepayment.

C. Adjustment of Interest Rate Upon Determination of Taxability, Unavailability of LIBOR or a Downgrade of the District's Implied General Obligation Bonds. (i) If a Determination of Taxability shall occur, commencing on the date of the Determination of Taxability, "79%" will be changed to 100% in the definition of Stated Rate (the "Taxable Rate"), and this adjustment shall survive payment on the Note until such time as the Federal statute of limitations under which interest on the Note could be declared taxable under the Code shall have expired. In addition, upon a Determination of Taxability, the District shall, immediately upon demand, pay to the holder of the Note (or prior holder, if applicable) (A) an additional amount equal to the difference between (1) the amount of interest actually paid on the Note during the Taxable Period and (2) the amount of interest that would have been paid during the Taxable Period had the Note borne interest at the Taxable Rate, and (B) an amount equal to any interest, penalties and additions to tax (as referred to in Subchapter A of Chapter 68 of the Code) owed by the holder as a result of the Determination of Taxability. As used herein, "Taxable Period" shall mean the period of time between (a) the date that interest on the Note is deemed to be included in the gross income of the owner thereof for federal income tax purposes as a result of a Determination of Taxability, and (b) the date of the Determination of Taxability and after which the Note bears interest at the Taxable Rate.

The above adjustments shall be cumulative, but in no event shall the interest on the Note exceed the maximum rate permitted by law. The above adjustments to the interest rate on the Note shall be effective for all periods during which tax treatment of the interest on the Note by the Lender is affected. Proper partial adjustment shall be made if the tax treatment is effective after the first day of the Lender's tax year or if the interest on the Note does not accrue for the entire tax year of the Lender. Adjustments which create a circular calculation because the interest on the Note is affected by the calculation shall be carried out sequentially, increasing the interest on the Note accordingly in each successive calculation using as the new value the increase in the interest rate on the Note, until the change in the interest rate to the holder caused by the next successive calculation of the adjustment is *de minimis*.

The Lender shall promptly notify the District in writing of any adjustment to the interest rate as required above and the calculation of the interest rate by the Lender shall be binding,

absent manifest error. The Lender shall certify to the District in writing the additional amount, if any, due to the Lender as a result of an adjustment in the interest rate pursuant hereto.

(ii) If, after the date of issuance of the Note, (A) the Lender shall determine (which determination shall be final and conclusive) that any enactment, promulgation or adoption of or any change in any applicable law, rule or regulation, or any change in the interpretation or administration thereof by a governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Lender with any guideline, request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency shall make it unlawful or impossible for the Lender to make or maintain or fund loans based on LIBOR, or (B) the Lender shall determine that, by reason of circumstances affecting the eurodollar market generally, deposits in dollars (in the applicable amounts) are not being offered to banks in the eurodollar market for the selected term, or adequate means do not exist for ascertaining LIBOR (collectively, a "Suspension Event"), then the Lender shall notify the District. Upon receipt of such notice, until the Lender notifies the District that the circumstances giving rise to such determination no longer apply, (a) the interest rate on all advances then bearing interest based on LIBOR shall be automatically converted to the Overnight Bank Funding Rate, plus 50 basis points (0.50%), and (b) no additional Draws may be made until a Replacement Rate (as defined below) is established.

Upon the determination by Lender (which determination shall be final and conclusive, absent manifest error) that, (x)(i) a Suspension Event has occurred and is unlikely to be temporary, or (ii) a Suspension Event has not occurred, but the applicable supervisor or administrator (if any) of LIBOR or a governmental authority having jurisdiction over the Lender has made a public statement identifying the specific date after which LIBOR shall no longer be used for determining interest rates for loans, (y) a rate other than LIBOR has become a widely recognized benchmark rate for newly originated loans in dollars in the U.S. market, or (z) at the District's request if LIBOR begins to trade in a manner that is inconsistent with the broader tax exempt, variable rate market, then the Lender and the District shall jointly agree, as soon as possible, upon an alternate replacement rate of interest to LIBOR (the "Replacement Rate"). In the case of the occurrence of any event described in (x) above, (i) the interest rate on all advances then bearing interest based on LIBOR shall be automatically converted to the Overnight Bank Funding Rate, plus 50 basis points (0.50%), and (ii) except as described below, no additional Draws may be made until a Replacement Rate is established. Upon the determination of the situation referred to in (y) or (z) of this paragraph, Draws shall continue to be made as provided in this Agreement until a Replacement Rate is established.

Selection of the replacement index, adjustments to the applicable margins and revisions to the Note to establish the Replacement Rate (i) will be determined with due consideration to the then-current market practices for determining and implementing a rate of interest for newly originated commercial loans in the United States and loans converted from a LIBOR-based rate to a replacement index-based rate, and (ii) may reflect adjustments to account for the effects of the transition from LIBOR to the replacement index and yield- or risk-based differences between LIBOR and the replacement index. The Lender and the District shall enter into an amendment to this Agreement to reflect a Replacement Rate and such other related changes as may be applicable and (i) the interest rate on all advances then bearing interest based at the existing LIBOR Period Rate shall be converted to the replacement index-based rate and (ii) the interest

rate on all future advances shall be advances based on the replacement index-based rate. Notwithstanding anything to the contrary contained herein, if at any time the replacement index is less than zero, at such times, such index shall be deemed to be zero for purposes of this Agreement and the Note.

SECTION 5. EXECUTION OF NOTE. The Note shall be executed in the name of the District by the Chair, and attested and countersigned by the Superintendent, and its official seal or a facsimile thereof shall be affixed thereto or reproduced thereon. The Note may be signed and sealed on behalf of the District by any person who at the actual time of the execution of such Note shall hold such office in the District, although at the date of such Note such person may not have been so authorized. The Note may be executed by the facsimile signatures of the Chair or Superintendent.

SECTION 6. REGISTRATION AND TRANSFER OF NOTE. The Note shall be and shall have all the qualities and incidents of negotiable instruments under the Uniform Commercial Code-Investment Securities Laws of the State of Florida, and each registered owner, in accepting the Note, shall be conclusively deemed to have agreed that such Note shall be and have all of the qualities and incidents of negotiable instruments thereunder.

There shall be a Registrar who shall be responsible for maintaining the Register. The person in whose name ownership of the Note is shown on the Register shall be deemed the owner thereof by the District and the Registrar, and any notice to the contrary shall not be binding upon the District or the Registrar. The District and the Registrar may treat the registered owner as the absolute owner of the Note for all purposes, whether or not such Note shall be overdue, and shall not be bound by any notice to the contrary.

Ownership of the Note may be transferred only upon the Register. Upon surrender to the Registrar for transfer or exchange of any Note accompanied by an assignment or written authorization for exchange, whichever is applicable, duly executed by the registered owner or its attorney duly authorized in writing, the Registrar shall deliver in the name of the registered owner or the transferee, as the case may be, a new fully registered Note of the same maturity and interest rate and for the aggregate principal amount as the Note surrendered. The Note may not be transferred except to a Permitted Lender. A "Permitted Lender" shall mean any affiliate of the Lender or any bank, trust company, savings institution, finance or leasing company, "accredited investor" or "qualified institutional buyer" pursuant to Rule 144A (a "QIB") promulgated under the Securities Act of 1933, or insurance company that is engaged as a regular part of its business in making loans and is authorized to do business in the State. Notwithstanding the foregoing, the Lender have the right to grant participations in all or a portion of the Lender's interest in the Note to a QIB or one or more other banking institutions; provided, however that any increased costs of such participant(s) shall be limited to those costs that would have been incurred by the Lender if the Lender had not participated any such portion of the Note; provided, further, that, solely with respect to participations, the District shall be required to deal only with the Lender with respect to any matters related to the Note.

The Note presented for transfer, exchange, redemption or payment (if so required by the District or the Registrar) shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the District or the Registrar, duly executed by the registered owner or by his duly authorized attorney.

The Registrar or the District may require payment from the registered owner or his transferee, as the case may be, of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto by any governmental body other than the District. Such charges and expenses shall be paid before any such new Note shall be delivered.

The new Note delivered upon any transfer or exchange shall be a valid obligation of the District, evidencing the same debt as the Note surrendered, shall be secured under this Agreement and the Resolution, and shall be entitled to all of the security and benefits hereof to the same extent as the Note surrendered.

Whenever any Note shall be delivered to the Registrar for cancellation, upon payment of the principal amount thereof, or for replacement, transfer or exchange, such Note shall be canceled and destroyed by the Registrar, and counterparts of a certificate of destruction evidencing such destruction shall be furnished to the District.

SECTION 7. NOTE MUTILATED, DESTROYED, STOLEN OR LOST. In case any Note shall be mutilated, or be destroyed, stolen or lost, upon the registered owner furnishing the Registrar proof of its ownership thereof and complying with such other reasonable regulations and conditions as the District may prescribe and paying such expenses as the District may incur, the Registrar shall issue and deliver a new Note of like tenor as the Note so mutilated, destroyed, stolen or lost, in lieu of or substitution for the Note, if any, destroyed, stolen or lost, or in exchange and substitution for such mutilated Note, upon surrender of such mutilated Note, if any, to the Registrar and the cancellation thereof; *provided, however*, if the Note shall have matured or be about to mature, instead of issuing a substitute Note, the District may pay the same, upon being indemnified as aforesaid, and if such Note be lost, stolen or destroyed, without surrender thereof. Any Note surrendered under the terms of this Section 7 shall be canceled by the Registrar.

Any such duplicate Note issued pursuant to this section shall constitute an original, additional contractual obligation on the part of the District whether or not, as to the duplicate Note, the lost, stolen or destroyed Note be at any time found by anyone, and such duplicate Note shall be entitled to equal and proportionate benefits and rights as to lien on and source and security for payment from the special funds, as hereinafter pledged, to the same extent as the other Note issued hereunder.

SECTION 8. FORM OF NOTE. The Note shall be in substantially the form of **Exhibit A** hereto with such variations, omissions and insertions as may be necessary, desirable and authorized or permitted by this Agreement.

SECTION 9. SECURITY FOR NOTE; NOTE NOT DEBT OF THE DISTRICT. The payment of the principal of and interest on the Note shall be secured forthwith, by a lien upon

and a pledge of the Pledged Funds and entitled to all the protection and security provided to Bonds under the Master Resolution, as amended and supplemented by the Supplemental Resolution. Until the Note is paid or deemed paid pursuant to the provisions of this Agreement, the District hereby pledges Sales Tax Revenues and other Pledged Funds in each Fiscal Year, in amounts sufficient to pay the outstanding principal and interest due on the Note, and all other amounts owing hereunder.

The Note shall not constitute a general obligation or indebtedness of the District and the Lender shall never have the right to require or compel the levy of taxes upon any property of or in the District for the payment of the principal of and interest on the Note. The District does hereby irrevocably pledge the Pledged Funds to the payment of the principal of and interest on the Note.

SECTION 10. COVENANTS OF THE DISTRICT. So long as any of the principal of or interest on the Note shall be outstanding and unpaid, the District covenants with the Lender as follows:

A. Tax Compliance. The District will take all actions necessary to maintain the excludability of interest on the Note from gross income for federal income tax purposes.

B. Financial Statements. Not later than 270 days following the end of each Fiscal Year, the District shall provide the Lender or other registered owner of the Note (in electronic format, if available) the annual audited financial statements of the District audited by the District's certified public accountants, together with the report of such accountants containing only such qualifications as are reasonably acceptable to the Lender. The District shall also provide the Lender with a certificate that no Event of Default has occurred and is continuing hereunder, and that the District is in material compliance with all covenants on its part set forth herein.

C. Annual Budget and Other Information. The District shall prepare its annual budget in accordance with Florida law, and shall provide the Lender a copy of its final annual budget for each Fiscal Year within 30 days of adoption thereof by the Board, together with such other information the Lender may reasonably request.

D. Debt Service Fund. The District hereby creates and establishes a special separate fund to be called the "School District of Palm Beach County, Florida Sales Tax Revenue Note, Series 2019 Debt Service Fund" (hereinafter called the "Debt Service Fund").

On or before the Business Day prior to each date fixed for the payment of principal or interest on the Note, the District shall deposit from Sales Tax Revenues to the Debt Service Fund the amounts sufficient to pay the interest and principal becoming due on the Note on the next payment date therefor.

The amounts remaining on deposit in the Debt Service Fund on the day following the respective interest or principal payment may be withdrawn by the District and applied for other District purposes. In no event shall any moneys remain on deposit in the Debt Service Fund for a period greater than 13 months.

Amounts on deposit in the Debt Service Fund may be invested and reinvested by the District in Authorized Investments maturing or redeemable at the option of the District not later than the date such amounts are needed for the payments required hereunder.

Except to the extent otherwise required by any provision hereof or of any tax compliance certificate delivered in connection with the delivery of the Note, all income from the investment of moneys in the fund and accounts established by this Agreement shall, upon receipt thereof, be deposited to the credit of the Debt Service Fund and used for the purposes thereof.

The designation of a special fund by this Agreement shall not be construed to require the establishment of any completely independent, self-balancing funds, as such term is commonly used and defined in governmental accounting, but is intended solely to constitute an earmarking of certain moneys and investments for certain purposes and to establish certain priorities for application of such moneys and investments as herein provided. The moneys and investments required to be accounted for in the foregoing fund established herein may be deposited in a single fund or account, provided that adequate accounting records are maintained to reflect the allocation of the moneys and investments on deposit therein into the fund established hereunder and to control the restricted uses of such moneys and investments for the various purposes as herein provided.

The District shall not be required to make any further payments into the Debt Service Fund when the aggregate amount of money and Authorized Investments in said fund is at least equal to the total principal of and interest on the Note then outstanding.

E. Rebate Fund. The District hereby creates and establishes a special separate fund to be called the "School District of Palm Beach County, Florida Sales Tax Revenue Note, Series 2019 Rebate Fund" (herein called the "Rebate Fund"). The District hereby agrees to cause the arbitrage rebate amount to be calculated as set forth in the District's Certificate as to Arbitrage and Certain Other Tax Matters delivered at the time of closing of the Note, and to cause the required amount to be deposited into the Rebate Fund herein established. Amounts on deposit in the Rebate Fund shall be held in trust by the District and used solely to make the required rebates to the United States of America, and neither the Lender nor the District shall have any right or claim to such moneys.

F. Draws of Note Proceeds; Project Fund. The principal amount of the Note is available for draw-down by the Issuer for deposit into the Project Fund, in the manner provided below, provided that no more than two such Draws shall be made per month, and no Draw shall be for less than \$100,000.

In the case of any Draw, the Lender shall make a disbursement from amounts deemed credited to the Project Fund only upon delivery to the Lender of a Draw Certificate signed by an Authorized District Officer in the form attached hereto as **Exhibit B**.

The Revolving Loans are made under this Revolving Line of Credit Agreement pursuant to which the District may draw funds as needed, up to the Available Commitment. Draw

Certificates received by the Lender by 3 p.m. New York Time on a Business Day, shall be treated as a same day request. Draw Certificates received by the Lender after 3 p.m. New York Time on a Business Day shall be treated as received on the next Business Day. Amounts advanced and repaid may be re-advanced. Each amount drawn shall be funded by the Lender within two Business Days of the date of the Draw Certificate (as such date is calculated pursuant to this paragraph) into an account of the District for which account information has been provided by the District.

Notwithstanding any of the other provisions of this Section 10(F), to the extent that other moneys are not available therefor, amounts in the Project Fund shall be applied to the payment of principal and interest on the Note when due.

Promptly after the date of the completion of the portion of the Project funded by the Revolving Loans, and after paying or making provisions for the payment of all unpaid items of the cost of such Project, the District shall deposit any balance of moneys remaining in the Project Fund in such other fund or account as shall be determined by the Board, provided the District has received an opinion of bond counsel to the effect that such transfer shall not adversely affect the exclusion of interest on the Note from gross income for purposes of federal income taxation.

G. [Reserved]

H. Notice to Lender. The District agrees to notify the Lender within five (5) Business Days if an Event of Default occurs hereunder, or of any event that, with the passage of time or giving of notice, would become an Event of Default, should occur.

SECTION 11. APPLICATION OF NOTE PROCEEDS. The proceeds of the Note shall first be applied by the District to pay the costs of preparation and issuance of the Note and thereafter shall be deposited into the Project Fund established hereby and used by the District, together with other available funds, to pay the cost of the Project.

SECTION 12. CONDITIONS PRECEDENT. The obligation of the Lender to make the disbursement of proceeds is subject to the satisfaction of each of the following conditions precedent on or before the closing date:

A. Action. The Lender shall have received copies of the Resolution approving the execution and delivery by the District of this Agreement, the Note and the financing documents to which the District is a party, in each case certified as complete and correct as of the closing date.

B. Incumbency of Officers. The Lender shall have received an incumbency certificate of the District in respect of each of the officers who is authorized to sign this Agreement, the Note and the financing documents to which it is a party on behalf of the District.

C. Opinion of Counsel to the District. The Lender shall have received a written opinion of counsel to the District covering matters relating to the transactions contemplated by this Agreement, the Note and the financing documents, in form and substance satisfactory to the Lender.

D. Opinion of Bond Counsel. The Lender shall have received an opinion from bond counsel in respect of the Note, in form and substance satisfactory to the Lender. The opinion shall, at a minimum, address (i) the enforceability of the Resolution, the Note and this Agreement, (ii) that the payment of the principal of and interest on the Note is secured equally and ratably with Bonds issued under the Master Resolution by a pledge of and lien upon the Pledged Funds (iii) the status of interest on the Note being excludable from gross income for federal income tax purposes under the provisions of Section 103 of the Code, and (iv) that it is not necessary to register the Note under the Securities Act of 1933, as amended, or to qualify this Agreement under the Trust Indenture Act of 1939, as amended.

E. No Default, Etc. No Event of Default (as defined herein) shall have occurred and be continuing as of the closing date or will result from the execution and delivery of this Agreement; the representations and warranties made by the District shall be true and correct in all material respects on and as of the closing date, as if made on and as of such date; and the Lender shall have received a certificate from the District to the foregoing effect.

F. Other Documents. The Lender shall have received such other documents, certificates and opinions as the Lender or its counsel shall have reasonably requested.

G. There shall be no change in applicable tax laws that would prevent the interest on a Draw not being excludable from the gross income for federal income tax purposes of the Lender.

SECTION 13. REPRESENTATIONS AND WARRANTIES. The District represents and warrants to the Lender that:

A. Organization. The District is a governmental authority created by Article IX, Section 4 of the Florida Constitution.

B. Authorization of Agreement and Related Documents. The District has the power and has taken all necessary action to authorize the execution, delivery and performance of the District's obligations under this Agreement, the Note and each of the financing documents to which it is a party in accordance with its respective terms. This Agreement has been duly executed and delivered by the District and is, and the Note and each of the financing documents to which it is a party when executed and delivered will be, legal, valid and binding obligations of the District enforceable against the District in accordance with their respective terms, except as may be limited by bankruptcy, insolvency, reorganization or moratorium applicable to the District and general equitable principles regarding the availability of specific performance.

C. Sales Tax Revenues. The District currently receives the Sales Tax Revenues, and is legally entitled to pledge such Sales Tax Revenues in sufficient amounts in each Fiscal Year to pay the principal of and interest on the Note, when due. The Sales Tax Revenues are estimated to be sufficient to pay the principal of and interest on the Note as the same becomes due and to make all other payments required to be made from such Sales Tax Revenues by the terms of this

Agreement or other instruments to which the District is a party or pursuant to which all or any portion of the Sales Tax Revenues may be obligated.

D. Financial Statements. The financial statements of the District for the year ended June 30, 2018, copies of which have been furnished to the Lender, have been prepared in accordance with generally accepted accounting principles and present fairly the financial condition of the District as of such date and the results of its operations for the period then ended. Since such date, there has been no material adverse change in the financial condition, revenues (including, without limitation, Sales Tax Revenues), properties or operations of the District.

E. No Violation of Law or Contract. The District is not in default in any material respect under any agreement or other instrument to which it is a party or by which it may be bound, the breach of which could result in a material and adverse impact on the financial condition of the District or the ability of the District to perform its obligations hereunder and under the Note. The making and performing by the District of this Agreement and the Note will not violate any applicable provision of law, and will not result in a material breach of any of the terms of any agreement or instrument to which the District is a party or by which the District is bound, the breach of which could result in a material and adverse impact on the financial condition of the District or the ability of the District to perform its obligations hereunder and under the Note.

F. Pending or Threatened Litigation. Except as has been disclosed to the Lender in writing, there are no actions or proceedings pending against the District or affecting the District or, to the knowledge of the District, threatened, which, either in any case or in the aggregate, might result in any material adverse change in the condition of the District, financial or otherwise, or which question the validity of this Agreement or the Note or of any action taken or to be taken in connection with the transactions contemplated hereby or thereby.

SECTION 14. TAX COMPLIANCE. Neither the Board nor any third party over whom the Board or the District have control, will make any use of the proceeds of the Note or the Pledged Funds at any time during the term thereof which would cause the Note to be a "private activity bond" within the meaning of Section 103(b)(1) of the Code or "arbitrage bond" within the meaning of Section 103(b)(2) of the Code. The Board covenants throughout the term of the Note to comply with the requirements of the Code and the Regulations, as amended from time to time in order to maintain the excludability of interest on the Note from gross income for federal income tax purposes.

SECTION 15. NOTICES. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when hand delivered or mailed by registered or certified mail, postage prepaid, to the parties at the following addresses:

District: School District of Palm Beach County, Florida
3300 Forest Hill Blvd,
West Palm Beach, Florida 33406
Attention: Superintendent

Lender: PNC Bank, National Association

420 S. Orange Avenue, Suite 300
Orlando, Florida 32801
Attention: Jerry Stanforth

Either of the above parties may, by notice in writing given to the other, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. Except as otherwise specifically required, notices also may be made by Electronic Means. Notices to the Paying Agent shall be effective only upon the receipt thereof by the Paying Agent.

SECTION 16. EVENTS OF DEFAULT DEFINED. The following shall be "Events of Default" under this Agreement and the term "Events of Default" shall mean (except where the context clearly indicates otherwise), whenever such term is used in this Agreement, any one or more of the following events:

- A. Failure by the District to timely pay any amount due hereunder;
- B. Failure by the District to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Agreement for a period of 90 days after the earlier of written notice (a) is received by the District or (b) was required to have been provided to the Lender pursuant to Section 10(H) hereof, unless the Lender shall agree in writing to an extension of such time prior to its expiration;
- C. Any warranty, representation or other statement by the District or by an officer or agent of the District contained in this Agreement or in any instrument furnished in compliance with or in reference to this Agreement is false or misleading in any material respect;
- D. A petition is filed against the District under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, and an order for relief is entered or such petition is not dismissed within 60 days of such filing;
- E. The District files a petition in voluntary bankruptcy or seeking relief under any provision of any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, or consents to the filing of any petition against it under such law;
- F. The District admits insolvency or bankruptcy or its inability to pay its debts as they become due or is generally not paying its debts as such debts become due, or becomes insolvent or bankrupt or makes an assignment for the benefit of creditors, or a custodian (including without limitation a receiver, liquidator or trustee) of the District or any of its property is appointed by court order or takes possession thereof and such order remains in effect or such possession continues for more than 60 days; or
- G. Any debt of or assumed by the District with combined annual debt service in excess of \$10 million (i) is not paid when due nor within any applicable grace period in any agreement or instrument relating to such debt, (ii) becomes due and payable before its normal

maturity by reason of a default or Event of Default, however described, or (iii) becomes subject to a moratorium.

H. This Agreement, the Note or any financing document is determined to be invalid or the enforceability repudiated by the District.

SECTION 17. REMEDIES. The Lender may sue to protect and enforce any and all rights, including the right to the appointment of a receiver, existing under the laws of the State of Florida, of the United States of America, or granted and contained in this Agreement, and to enforce and compel the performance of all duties required by this Agreement or by any applicable laws to be performed by the District, the Board or by any officer thereof, and may take all steps to enforce this Agreement to the full extent permitted or authorized by the laws of the State of Florida or the United States of America. The Lender shall be entitled to its reasonable costs and expenses (including reasonable fees and expenses of counsel) incurred in enforcing any of its rights under this Agreement after an Event of Default.

SECTION 18. NO RECOURSE. No recourse shall be had for the payment of the principal of and interest on the Note or for any claim based on the Note or on this Agreement, against any present or former member or officer of the Board or any person executing the Note.

SECTION 19. PAYMENTS DUE ON SATURDAYS, SUNDAYS AND HOLIDAYS. In any case where the date for making any payment or the last date for performance of any act or the exercise of any right, as provided in this Agreement, shall be other than a Business Day, then such payment or performance shall be made on the succeeding Business Day with the same force and effect as if done on the nominal date provided in this Agreement.

SECTION 20. DEFAULT RATE. Upon and during the continuance of an Event of Default, the Note shall bear interest at the Default Rate until all amounts then due under the Note are paid in full.

SECTION 21. DEFEASANCE. If, at any time the District shall have paid the principal and interest with respect to the Note and all costs and expenses of the Lender payable under this Agreement, then, and in that event, the pledge of and lien on the Pledged Funds in favor of the Lender shall be no longer in effect and the District shall have no further obligation to comply with the covenants contained in Section 10 hereof, other than the covenant contained in paragraph (A) of Section 10.

SECTION 22. WAIVER OF JURY TRIAL. With respect to any suit or action between the District and the Lender relating to the Note or this Agreement or any other aspect of the transaction between the District and the Lender, the District and the Lender each expressly waives any right to a jury trial, and agrees that the exclusive venue for any such suit or action shall be in any state or federal court in the State.

SECTION 23. AMENDMENTS, CHANGES AND MODIFICATIONS. This Agreement may be amended by the District, only with the prior written consent of the Lender.

SECTION 24. NO ADVISORY OR FIDUCIARY RELATIONSHIP. In connection with all aspects of each transaction contemplated hereunder (including in connection with any amendment, waiver or other modification hereof or of any other documents related hereto), the District acknowledges and agrees, that: (a) (i) it has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, (ii) it is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and any other loan documents, (iii) the Lender is not acting as a municipal advisor or financial advisor to the District and (v) the Lender has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act to the District with respect to the transactions contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Lender has provided other services or is currently providing other services to the District on other matters); (b) (i) the Lender is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary, for the District, or any other person and (ii) the Lender has no obligation to the District, with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other loan documents; and (c) the Lender may be engaged in a broad range of transactions that involve interests that differ from those of the District, and the Lender has no obligation to disclose any of such interests to the District. To the fullest extent permitted by law, the District hereby waives and releases any claims that it may have against the Lender with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transactions contemplated hereby. If the District would like a municipal advisor in this transaction that has legal fiduciary duties to the District, the District is free to engage a municipal advisor to serve in that capacity. The transactions contemplated herein and the Note are delivered, pursuant to and in reliance upon the bank exemption and/or the institutional buyer exemption provided under the municipal advisor rules of the Securities and Exchange Commission, Rule 15Ba1-1 et seq, to the extent that such rules apply to the transactions contemplated hereunder.

SECTION 25. PERMISSION TO USE INFORMATION. The District agrees and consents that the Lender shall be permitted to use information related to the loan transaction in connection with marketing, press releases or other transactional announcements or updates provided to investors or trade publications, including, but not limited to, the placement of the logo or other identifying name on marketing materials or of "tombstone" advertisements in publications of its choice at its own expense.

SECTION 26. APPLICABLE LAW AND VENUE. The Note shall be governed by applicable federal law and the internal laws of the State. The District agrees that certain material events and occurrences relating to the Note bear a reasonable relationship to the laws of the State and the validity, terms, performance and enforcement of the Note shall be governed by the internal laws of the State which are applicable to agreements which are negotiated, executed, delivered and performed solely in the State. Unless applicable law provides otherwise, in the event of any legal proceedings arising out of or related to the Note, the District consents to the jurisdiction and venue of any court located in the State.

SECTION 27. BINDING EFFECT. To the extent provided herein, this Agreement shall be binding upon the District and the Lender and shall inure to the benefit of the District and the Lender and their respective successors and assigns.


SECTION 28. SEVERABILITY. In the event any provision of this Agreement 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 29. EXECUTION IN COUNTERPARTS. 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 instrument.

SECTION 30. APPLICABLE LAW. This Agreement shall be governed by and construed in accordance with the laws of the State.

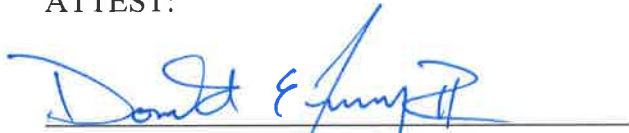
IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first above written.

THE SCHOOL BOARD OF PALM BEACH COUNTY, FLORIDA, as the governing body of the SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA



Frank A. Barbieri, Jr.
Chair

ATTEST:



Donald E. Fennoy II, Ed.D.
Superintendent

PNC BANK, NATIONAL ASSOCIATION

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first above written.

THE SCHOOL BOARD OF PALM BEACH COUNTY, FLORIDA, as the governing body of the SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

Frank A. Barbieri, Jr.
Chair

ATTEST:

Donald E. Fennoy II, Ed.D.
Superintendent

PNC BANK, NATIONAL ASSOCIATION

By: _____

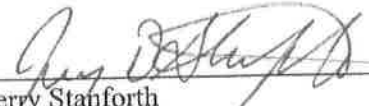

Jerry Stanforth
Senior Vice President

EXHIBIT A
FORM OF NOTE

Transfer of this Note is restricted to any affiliate of PNC Bank, National Association, or any bank, trust company, savings institution, finance or leasing company, “accredited investor” or “qualified institutional buyer” pursuant to Rule 144A promulgated under the Securities Company Act of 1933, or insurance company engaged as a regular part of its business in making loans in the State of Florida, all as provided by the Loan Agreement referenced below.

No. R-____

SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
SALES TAX REVENUE NOTE, SERIES 2019

<u>RATE OF INTEREST</u>	<u>MATURITY DATE</u>	<u>DATE OF ISSUE</u>
Variable as described below	June 27, 2022	June 27, 2019

REGISTERED OWNER: PNC BANK, NATIONAL ASSOCIATION

PRINCIPAL AMOUNT: Up to \$80,000,000¹

KNOW ALL MEN BY THESE PRESENTS, that the School District of Palm Beach County, Florida (the “District”), for value received, hereby promises to pay to the Registered Owner on the Maturity Date specified above the principal amount then outstanding pursuant to the terms of that certain Revolving Line of Credit Agreement dated June 27, 2019 between The School Board of Palm Beach County, Florida, as the governing body of the District, and the Registered Owner (the “Loan Agreement”), plus interest thereon from the respective dates Draws are made pursuant to the terms of the Loan Agreement described below to the date of payment thereof, at the LIBOR Period Rate (as defined in the Loan Agreement) until payment of the Principal Amount above stated (or such lesser amount advanced), such interest to be calculated on a 360-day year comprised of twelve 30-day months. Interest on the Note shall be payable on the first day of each month together with the Unused Fee (as defined in the Loan Agreement) by electronic payment (or such other form of payment reasonably acceptable to the Registered Owner), commencing August 1, 2019, and at the maturity of the Note, calculated on the daily outstanding principal balance on an actual / 365 day year plus the Unused Fee and will be due monthly on the first day of the each month. Notwithstanding the foregoing, in the event the District draws 60% or more of the Available Commitment (as defined below) within six months of the dated date of the Note or within any six-month period thereafter, the Unused Fee shall be waived for the period beginning on the date of a Draw which in the aggregate of Draws made within such six-month period equals or exceeds 60%, through the balance of a year

¹ The stated principal amount of this Note shall be adjusted as described in the Loan Agreement.

commencing with such Draw. No presentment shall be required for any payment or prepayment on the Note except upon payment in full.

“Available Commitment” means, on any date, an initial amount equal to \$80,000,000 adjusted from time to time as follows: (a) downward in an amount equal to a Draw pursuant to this Agreement; (b) upward in an amount equal to the principal amount of any Draw made to the District under the this Agreement that is repaid or prepaid, as applicable, in the manner provided herein; (c) upward in an amount equal to an increase in stated principal amount pursuant to Section 4A of the Loan Agreement, and (d) downward to zero upon the expiration or termination of the Available Commitment in accordance with the terms of the Loan Agreement; provided, that, after giving effect to any of the foregoing adjustments the Available Commitment shall never exceed \$200,000,000 at any one time.

This Note may be prepaid in whole or in part prior to maturity on any Business Day upon two (2) Business Days' prior written notice to the Registered Owner hereof. Capitalized terms used herein and not defined are used as defined in the Agreement.

This Note is issued under the authority of Section 212.055(2), Florida Statutes, Chapters 1001, 1011 and 1013, Florida Statutes, the Constitution of the State of Florida and other applicable provisions of law, and pursuant and subject to the terms and conditions of the Resolutions duly adopted by the Board of the District on May 8, 2019 (collectively, the “Resolution”), to which reference should be made to ascertain those terms and conditions.

This Note shall not constitute a general obligation or indebtedness of the District, and the Registered Owner shall never have the right to require or compel the levy of taxes on any property of or in the District for the payment of the principal of and interest on this Note. This Note shall not constitute a lien upon the Project (as defined in the Agreement), or upon any property of or in the District, but shall be payable solely from the Pledged Funds in the manner provided in the Agreement. Reference is made to the Agreement for the provisions relating to the security for payment of this Note and the duties and obligations of the District hereunder.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and laws of the State of Florida to happen, exist and be performed precedent to and in the issuance of this Note, have happened, exist and have been performed in regular and due form and time as so required.

(Remainder of page intentionally left blank)

IN WITNESS WHEREOF, the School District of Palm Beach County, Florida, has caused this Note to be executed by the Chair of The School Board of Palm Beach County, Florida, and attested by Superintendent and Ex-Officio Secretary of The School Board of Palm Beach County, Florida, either manually or with their facsimile signatures, and its seal or a facsimile thereof to be affixed, impressed, imprinted, lithographed or reproduced hereto.

**SCHOOL DISTRICT OF PALM BEACH
COUNTY, FLORIDA**

Chair of The School Board of Palm Beach
County, Florida

ATTEST:

Superintendent and Ex-Officio Secretary
of The School Board of Palm Beach County,
Florida

The following abbreviations, when used in the inscription on the face of the within, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common

JT TEN - as joint tenants with right of survivorship

TEN ENT - as tenants by the entireties and not as tenants in common

UNIF GIF MIN ACT - _____ UNIF TRANS MIN ACT - _____ (Cust.)

Custodian for _____ Custodian for _____
(Minor)

under Uniform Gifts to Minor under Uniform Transfers to

Minors Act of _____ Minors Act of _____
(State)

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

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers to

PLEASE INSERT NAME, ADDRESS AND SOCIAL SECURITY OR OTHER IDENTIFYING
NUMBER OF ASSIGNEE the within Note and does hereby irrevocably constitute and appoint

as his agent to transfer the Note on the books kept for registration thereof, with full
power of substitution in the premises.

Dated: _____

Signature guaranteed:

NOTICE: Signature must be guaranteed by
an institution which is a participant in the
Securities Transfer Agent Medallion
Program (STAMP) or similar program.

NOTICE: The signature to this assignment must
correspond with the name of the Registered
Owner as it appears upon the face of the within
Note in every particular, without alternation or
enlargement or change whatever.

(Authorized Officer)

EXHIBIT B

FORM OF DRAW CERTIFICATE

\$80,000,000

**School District of Palm Beach County, Florida
Sales Tax Revenue Note, Series 2019**

PNC Bank, National Association
420 S. Orange Avenue, Suite 300
Orlando, Florida 32801

Dated: _____, 201_____

Draw No. _____

Total Amounts Outstanding together with this draw request: \$ _____

This Draw Certificate is made pursuant to Section 10(F) of the Revolving Line of Credit Agreement (the "Loan Agreement") dated June 27, 2019, between the School District of Palm Beach County, Florida (the "Issuer") and PNC Bank, National Association, to pay a portion of the costs of the Project referenced therein. All capitalized terms not otherwise defined herein shall have the meanings set forth in the Loan Agreement.

The Draw hereunder is for the principal amount of \$ _____. Such amount shall be paid to the Issuer by wire transfer at the following address:

To:
Account Name: District Project Account

The principal amount of the Note related to such Draw shall bear interest from the date hereof.

The Issuer hereby certifies that:

(a) it is not on the date hereof, and will not hereafter be, in default of any of the representations, warranties and covenants of the Issuer contained in the Loan Agreement;

(b) to its knowledge, no default and no event or condition which, with the passage of time or the giving of notice, or both, would constitute a default under any construction contract for the Project, has occurred or exists as of the date hereof;

(c) all conditions of the Loan Agreement to the disbursement of the funds hereby requested have been fulfilled, the disbursement of the funds hereby is authorized or permitted by the Act, and no Event of Default or any other event which, with the passage of time or notice

would constitute an Event of Default, has occurred or exists as of the date hereof under the Loan Agreement.

SCHOOL DISTRICT OF PALM BEACH
COUNTY, FLORIDA,

By: _____