
FLORIDA CORRECTIONAL FINANCE CORPORATION

Board of Directors Meeting

Wednesday June 2, 2021
2:30 p.m. EST

Room 1602, The Capitol
402 South Monroe Street
Tallahassee, FL 32399

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AGENDA

1. Call to Order; Declaration of Quorum
2. Public Comment
3. Approval of the Meeting Minutes from the September 18, 2018 Board of Directors Meeting (Att. #1) (VOTE Required)
4. Approval of Resolution No. 2021-01 (1) authorizing various actions relating to the issuance of certificates of participation on behalf of the State of Florida Department of Management Services to finance an inpatient mental health treatment facility at the Lake Correctional Institution; (2) authorizing an amendment to the Master Lease Agreement with Option to Purchase; and (3) providing an effective date. (Att. #2) (VOTE Required)
5. Other Business
6. Adjournment

FLORIDA CORRECTIONAL FINANCE CORPORATION

DRAFT MINUTES

Minutes of the meeting of the Florida Correctional Finance Corporation Board of Directors held on Tuesday, September 18, 2018 at 2:30 p.m. in Room 1702, The Capitol, 402 South Monroe Street, Tallahassee, FL 32399

Board Members Present

J. Ben Watkins, III, President
Kelley Boree, Secretary/Treasurer
Cynthia Kelly, Board Member
Erin Rock, Board Member

Guests Present

David Zeckman, Department of Management Services
Alexis Lambert, Division of Bond Finance
Whitney Langston, Division of Bond Finance
Charlie Yadon, Division of Bond Finance
Bob Reid, Bryant Miller Olive, P.A.

Items for Consideration

1. Approval of Resolution 2018-01 of the Florida Correctional Finance Corporation (the "Corporation") (1) approving and authorizing a Second Restated Articles of Incorporation; (2) approving and authorizing by-laws; (3) appointing the officers of the Corporation; (4) confirming bond counsel and Corporation counsel; and (5) providing an effective date. (Att. #1)
2. Approval of Resolution 2018-02 of the Corporation (1) authorizing various actions relating to the refinancing of the Series 2008A, Series 2009A and Series 2009C (Federally Taxable – Build America Bonds – Issuer Subsidy) certificates of participation issued on behalf of the State of Florida Department of Management Services, and (2) providing an effective date. (Att. #2)

Quorum and Call to Order

A quorum was present at 2:31 and the meeting was called to order by Board Member Watkins.

Public Comment

Board Member Watkins opened the meeting to the general public and invited anyone interested in making comments to do so. There were no members of the public present wishing to comment.

Appointment of Officers

Board Member Watkins presented an overview of the purpose of the proposed changes to the Restated Articles of Incorporation, the creation of by-laws for the Corporation, and the need to appoint the Officers of the Corporation. Upon a motion by Board Member Rock and second by Board Member Kelly and without objection, Board Member Watkins was designated President of the Corporation and Board Member Boree was designated Secretary/Treasurer of the Corporation.

Adoption of Resolution 2018-01

President Watkins presented Resolution 2018-01 to the Board of Directors. Board Member Rock moved to approve Resolution 2018-01, the motion was seconded by Board Member Kelly and passed without objection.

Adoption of Resolution 2018-01

President Watkins presented Resolution 2018-02 to the Board of Directors and gave an explanation of proposed refinancing of the Series 2008A, Series 2009A and Series 2009C (Federally Taxable – Build America Bonds – Issuer Subsidy) certificates of participation; the process for issuing refunding certificated of participation to accomplish the refinancing; and the documents that the Department of Management Services and the Corporation would be required to execute as part of the refinancing. Board Member Rock moved to approve Resolution 2018-02, the motion was seconded by Board Member Kelly and passed without objection.

Adjournment

Upon no further discussion from the Board of Directors, President Watkins motioned to adjourn the meeting and the motion was seconded by Board Member Kelly w and passed without objection. The meeting was adjourned at 2:49 p.m.

RESOLUTION NO. 2021-01

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE FLORIDA CORRECTIONAL FINANCE CORPORATION AUTHORIZING THE ISSUANCE AND COMPETITIVE SALE OF THE STATE OF FLORIDA, DEPARTMENT OF MANAGEMENT SERVICES CERTIFICATES OF PARTICIPATION, SERIES 2021A, EVIDENCING FRACTIONAL UNDIVIDED INTERESTS OF THE OWNERS THEREOF IN BASIC RENT PAYMENTS TO BE MADE BY THE STATE OF FLORIDA, DEPARTMENT OF MANAGEMENT SERVICES, AS LESSEE, PURSUANT TO THE MASTER LEASE AGREEMENT WITH THE CORPORATION, AS LESSOR (THE "SERIES 2021A CERTIFICATES") IN A PRINCIPAL AMOUNT NOT EXCEEDING \$158,163,339 TO FINANCE THE SERIES 2021A PROJECT; DELEGATING THE AUTHORIZATION TO SELL THE SERIES 2021A CERTIFICATES BY COMPETITIVE SALE AND TO DETERMINE THE TERMS OF THE ISSUANCE AND OF THE SERIES 2021A CERTIFICATES, WITHIN CERTAIN PARAMETERS; AUTHORIZING THE EXECUTION AND DELIVERY OF A SCHEDULE TO THE MASTER LEASE AGREEMENT, A SUPPLEMENTAL TRUST INDENTURE, AND AN ASSIGNMENT OF LEASES, RENTS, AND PROFITS; AUTHORIZING THE EXECUTION AND DISTRIBUTION OF A PRELIMINARY OFFERING STATEMENT AND A FINAL OFFERING STATEMENT; AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE AGREEMENT; AUTHORIZING ALL OTHER NECESSARY ACTION IN CONNECTION WITH THE ISSUANCE OF THE SERIES 2021A CERTIFICATES; AUTHORIZING AN AMENDMENT TO THE MASTER LEASE AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Legislature has specifically authorized the State of Florida Department of Management Services (the "Department") to finance the acquisition, construction, and equipping of private correctional facilities to be constructed and operated on behalf of the State of Florida (the "State") ("Private Correctional Facilities"), and correctional institutions ("State Correctional Institutions") to be operated by the State of Florida Department of Corrections ("FDOC"), each through a Master Lease Agreement;

WHEREAS, the Florida Correctional Financing Corporation (the "Corporation") is a not-for-profit, special purpose corporation, created under the laws of the State of Florida that acts as Lessor under the Amended and Restated Master Lease Agreement with Option to Purchase, dated February 1, 2009, amending and restating a Master Lease Agreement with Option to Purchase, dated November 1, 2001 (the "Master Lease Agreement") with the Department and the Amended and Restated Master Trust Indenture, dated February 1, 2009, amending and restating a Master Trust Indenture dated November 1, 2001 (the "Master Trust Indenture") with the Trustee to facilitate the financing of Private Correctional Facilities and State Correctional Institutions for the State; and

WHEREAS, for this purpose, the Corporation is authorized to issue Certificates of Participation ("Certificates") or other evidences of indebtedness, which are payable from Basic Rent to be paid by the Department to the Corporation under the Master Lease Agreement; and

WHEREAS, pursuant to Specific Appropriation 670 in Ch. 2020-111, Laws of Florida, and Specific Appropriation 674 in Senate Bill 2500 (2021), the Legislature has specifically authorized the Department to finance a new State Correctional Institution on behalf of FDOC through the issuance of Certificates under the existing Master Lease Agreement between the Department and the Corporation and the existing Master Trust Indenture between the Corporation and the Trustee; and

WHEREAS, the Corporation and the Department desire to clarify the meaning of an “Event of Non Appropriation” by amending Section 2.6 of the Master Lease Agreement; and

WHEREAS, this Resolution is being adopted to authorize the issuance and sale of a Series of the Certificates, provide for the determination of the details of the Certificates of such Series of Certificates, provide for the use of the proceeds of such Series of Certificates in accordance with the Act, and to amend the Lease Purchase Agreement which provides for the Basic Rent Payments for such Certificates;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE FLORIDA CORRECTIONAL FINANCE CORPORATION:

SECTION 1. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to Chapters 20, 255, 287, 944 and 957, Florida Statutes, as amended, and the Constitution of the State of Florida, as amended (collectively, the “Act”) and other applicable provisions of law.

SECTION 2. DEFINITIONS. Except as defined in this Resolution, and unless the context otherwise requires, all capitalized terms used herein shall have the meanings ascribed to them in the Master Lease Agreement and the Master Trust Indenture, as the same are defined below. Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations.

“*Division*” shall mean the Division of Bond Finance of the State Board of Administration of Florida, a public body corporate created pursuant to the Sections 215.57-215.83, Florida Statutes (the “State Bond Act”), which is authorized to issue state bonds, revenue bonds, certificates of participation, and other obligations on behalf of the State and its agencies.

“*President*” shall mean the Director of the Division, who in such capacity, serves as the President of the Board of Directors of the Corporation and is an Authorized Representative of the Corporation.

“*Schedule No. 2021A*” shall mean the Schedule between the Department, as Lessee, and the Corporation, as Lessor, supplementing the Master Lease Agreement in connection with the Series 2021A Certificates.

“*Series 2021A Assignment Agreement*” shall mean the Series 2021A Assignment of Leases, Rents and Profits dated _____, 2021, pursuant to which the Corporation has assigned to the Trustee all its rights, title and interest in and to the Series 2021A Lease, except as otherwise provided therein.

“*Series 2021A Certificates*” shall mean the tax-exempt State of Florida, Department of Management Services, Certificates of Participation, Series 2021A, Evidencing Fractional Undivided Interest of the Owners thereof in Basic Rent Payments to be Made by the State of Florida Department of Management Services, as Lessee, under an Amended and Restated Master Lease Agreement with Option to Purchase with Florida Correctional Finance Corporation, as Lessor, in an aggregate principal amount not to exceed \$158,163,339.

“*Series 2021A Lease*” shall mean the Master Lease Agreement as supplemented by the Schedule No. 2021A.

“*Series 2021A Project*” shall mean, collectively, the design, construction and equipping of the 550 bed inpatient mental health treatment facility on the Series 2021A Land at the Lake County Correctional Institution as described in Schedule No. 2021A to the Master Lease Agreement.

“*Series 2021A Supplemental Trust Indenture*” shall mean the Series 2021A Supplemental Trust Indenture dated _____, 2021 between the Corporation, as Lessor, and the Trustee supplementing the Master Trust Indenture in connection with the Series 2021A Certificates.

SECTION 3. FINDINGS. It is hereby ascertained, found, determined and declared that:

A. The Department is authorized and empowered by the Act, and the Corporation is authorized and empowered by Chapter 617, Florida Statutes, to enter into transactions such as that contemplated by the Series 2021A Trust Indenture and the Series 2021A Lease and to fully perform its obligations thereunder.

B. The execution and delivery of the Schedule No. 2021A by the Department and the Corporation, and the execution and delivery of the Series 2021A Supplemental Trust Indenture by the Corporation and the Trustee, as accepted by the Department, to finance the Series 2021 Project with proceeds of the Series 2021A Certificates will comply with all of the provisions of the Act.

C. The Department has heretofore acknowledged and approved the purpose and activities of the Corporation, including, without limitation, the execution and delivery by the Corporation of the Schedule No. 2021A and the Series 2021A Supplemental Trust Indenture.

D. In light of current market conditions and the possible need to coordinate the sale of the Series 2021A Certificates among various parties, the Corporation now desires to authorize the sale of the Series 2021A Certificates pursuant to a competitive sale through the Division and authorize distribution of preliminary and final Offering Statements in connection with the issuance of the Certificates.

E. The Series 2021A Certificates will be payable solely from the Basic Rent Payments that the Department is required to make to the Corporation under the Series 2021A Lease, and the Series 2021A Certificates will not constitute a debt or obligation of the State of Florida or of any instrumentality or political subdivision thereof, nor a pledge of the full faith and credit or taxing power of the State of Florida or any instrumentality or political subdivision thereof. The Corporation has no taxing power.

F. In accordance with the provisions of the Master Trust Indenture, U.S. Bank National Association, Jacksonville, Florida, shall serve as the Trustee for the Series 2021A Certificates.

SECTION 4. TRUSTEE FOR THE SERIES 2021A CERTIFICATES. In accordance with the provisions of the Master Trust Indenture, U.S. Bank National Association, Jacksonville, Florida, shall serve as the Trustee for the Series 2021A Certificates.

SECTION 5. AUTHORIZATION OF THE SERIES 2021A PROJECT. The Corporation hereby authorizes the financing of the Series 2021 Project with the proceeds of the Series 2021A Certificates. The costs of such financing shall include all costs and expenses incurred in the financing of the Series 2021 Project.

SECTION 6. AUTHORIZATION OF THE ISSUANCE AND SALE OF THE SERIES 2021A CERTIFICATES. The Corporation hereby authorizes the issuance and sale of the Series 2021A Certificates through the Division. The President of the Corporation is hereby delegated the authority to approve final terms of sale and fiscal details of the Series 2021A Certificates, subject to compliance with the following matters:

A. The Series 2021A Certificates shall be issued as Tax-Exempt Certificates by the Corporation under the Trust Indenture, in one or more series and at one or more times; shall be designated as “State of Florida, Department of Management Services, Certificates of Participation, Series 2021A, Evidencing Fractional Undivided Interest of the Owners thereof in Basic Rent Payments to be Made by the State of Florida Department of Management Services, as Lessee, under an Amended and Restated Master Lease Agreement with Option to Purchase with Florida

Correctional Finance Corporation, as Lessor” and if issued in more than ones Series, with subsequent Series identified by the year in which they are issued and sequentially within each year by a letter designation, or such other Series designation as determined by the President, and shall be in a principal amount not exceeding \$158,163,339.

B. The Corporation, in consultation with the Division is hereby authorized to sell the Series 2021A Certificates by competitive sale on the date and at the time to be provided for in a Notice of Certificate Sale (the “Notice of Certificate Sale”) to be published and distributed for the Series 2021A Certificates.

C. The President is hereby authorized to publish the Notice of Certificate Sale and a form of a proposal for the sale of the Series 2021A Certificates. The Notice of Certificate Sale and the Bid Form shall be in such form attached hereto as Exhibit F, subject to such changes, completions, insertions, or omissions as may be approved by the President in consultation with the Division, and shall contain such information as required by applicable law.

D. Pursuant to Section 10 hereof, the President is hereby authorized to approve a preliminary Offering Statement (the “Preliminary Offering Statement”) and a final Offering Statement (the “Offering Statement”) containing a description of Series 2021A Certificates, the security for the repayment of the Series 2021A Certificates, the anticipated use of the proceeds of the Series 2021A Certificates, and such other matters as are material to the offering and sale of the Series 2021A Certificates.

E. The President is authorized to provide in the Notice of Certificate Sale that the purchase price for the Series 2021A Certificates may include a discount not to exceed 3%, excluding original issue discount, if any, of the aggregate principal amount of the Series 2021A Certificates offered for sale.

F. The Series 2021A Certificates (a) shall be Serial Certificates or Term Certificates, or a combination thereof, (b) shall bear interest at rates not to exceed 10%, (c) shall be dated such date as is determined by the President, and (d) shall be subject to redemption, if at all, at a redemption price of not exceeding 105% of the principal amount thereof, and shall have all other terms as set forth in the Notice of Certificate Sale and the Series 2021A Supplemental Trust Indenture.

G. The President is hereby authorized and empowered to award the Series 2021A Certificates when offered, on his or her determination of the best Bid, submitted in accordance with the terms of such Notice of Certificate Sale provided for herein, within the parameters established such Notice of Certificate Sale and such award shall be final.

H. The President is hereby authorized to approve the final terms of the Series 2021A Certificates, subject to the restrictions set forth herein, the Master Trust Indenture, and the Master Lease Agreement, without need of further authorization of the Corporation. The maturities, interest rate or rates, redemption provisions, sale price and other terms and details of the Series 2021A Certificates shall, in the judgment of the President, produce the lowest true interest cost to the Corporation reasonably available in the financial markets at the time of the sale of the Series 2021A Certificates.

I. The Series 2021A Certificates shall be delivered on such date as is determined by the President.

SECTION 7. AUTHORIZATION OF EXECUTION AND DELIVERY OF THE SERIES 2021A LEASE. The Corporation hereby approves and accepts the form of and authorizes the execution of the Schedule No. 2021A by an Authorized Representative of the Corporation for the purpose of financing of the Series 2021 Project with the proceeds of the Series 2021A Certificates. The Schedule No. 2021A shall be in substantially the form of Exhibit A, subject to such changes, completions, insertions, or omissions as may be approved by the President prior to the execution thereof. The execution of the Schedule No. 2021A by an Authorized Representative of the Corporation shall be conclusive evidence of such approval.

SECTION 8. AUTHORIZATION OF EXECUTION AND DELIVERY OF THE SERIES 2021A SUPPLEMENTAL TRUST INDENTURE. The Corporation hereby approves and accepts the form of and authorizes the execution and delivery of the Series 2021A Supplemental Trust Indenture by an Authorized Representative of the Corporation. The Series 2021A Supplemental Trust Indenture shall be in substantially the form of Exhibit B, subject to such changes, completions, insertions, or omissions as may be approved by the President prior to the execution thereof. The execution of the Series 2021A Supplemental Trust Indenture by an Authorized Representative of the Corporation shall be conclusive evidence of such approval.

SECTION 9. AUTHORIZATION OF EXECUTION AND DELIVERY OF THE SERIES 2021A ASSIGNMENT. The Corporation hereby approves and accepts the form of and authorizes the execution and delivery of the Series 2021A Assignment by an Authorized Representative of the Corporation. The Series 2021A Assignment shall be in substantially the form of Exhibit C, subject to such changes, completions, insertions, or omissions as may be approved by the President prior to the execution thereof. The execution of the Series 2021A Assignment by an Authorized Representative of the Corporation shall be conclusive evidence of any such approval.

SECTION 10. AUTHORIZATION OF EXECUTION AND DISTRIBUTION OF THE PRELIMINARY OFFERING STATEMENT AND FINAL OFFERING STATEMENT. The Corporation hereby approves and accepts the form of and authorizes the execution and distribution of the Preliminary Offering Statement and the Offering Statement by an Authorized Representative of the Corporation. The Preliminary Offering Statement shall be in substantially the form attached hereto as Exhibit D, subject to such changes, completions, insertions, or omissions as may be approved by the President; and the Offering Statement shall be in substantially the form of the Preliminary Offering Statement with such revisions as shall hereafter be approved by the President. The Corporation further authorizes the President to amend, supplement, or complete the information contained in the Preliminary Offering Statement, as may be needed, and to furnish such certification as to the completeness and finality of the Preliminary Offering Statement as is necessary to permit the successful bidder to fulfill its obligations under any applicable securities laws. The execution and distribution of the Preliminary Offering Statement and the Offering Statement by an Authorized Representative of the Corporation in connection with the sale and issuance of the Series 2021A Certificates shall be conclusive evidence that the Corporation has approved the form and content of thereof.

The Corporation hereby authorizes the President to deem the Preliminary Offering Statement “final,” as of its date in accordance with the requirements of Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”).

SECTION 11. CONTINUING DISCLOSURE AGREEMENT. The President or other Authorized Representative of the Corporation is hereby authorized to approve, execute, and deliver a Continuing Disclosure Agreement satisfying the requirements of the Rule at or prior to the time of issuance of the Series 2021A Certificates and to approve the form of such agreement at or prior to the time of sale of the Series 2021A Certificates.

SECTION 12. AMENDMENT TO MASTER LEASE AGREEMENT. The Corporation hereby approves and accepts the form of and authorizes the execution and delivery of the First Amendment to the Amended and Restated Master Lease Agreement with Option to Purchase (the “Amendment”) by the President or other Authorized Representative of the Corporation. The Amendment shall be in substantially the form attached hereto as Exhibit E, subject to such changes, completions, insertions, or omissions as may be approved by the President. The execution of the Amendment by the President or other Authorized Representative of the Corporation shall be conclusive evidence of any such approval.

SECTION 13. AUTHORIZATION TO TAKE OTHER ACTIONS. The Corporation hereby authorizes and directs the Authorized Representatives of the Corporation to execute any and all such additional agreements, documents, instruments, investment agreements, ground leases, assents, acceptances, assignments, financing statements, and approvals as the Corporation, the Department, FDOC, the Division, and Special Counsel may deem

necessary. The Corporation further authorizes and directs the Authorized Representatives of the Corporation to execute any and all certificates or other instruments or documents required or contemplated by this resolution, the Master Trust Indenture, the Master Lease Agreement, or any other document, and to take any and all other actions which, in any case, are necessary or desirable in relation to the issuance of the Series 2021A Certificates, including, without limitation, the execution of any necessary documents with DTC, and the execution of any amendments or revisions to documents previously executed by the Corporation. Any representations made in any document, certificate, or agreement so executed shall be deemed to be made on behalf of the Corporation. All actions taken to date by the Corporation or its Authorized Representatives in furtherance of the issuance of the Series 2021A Certificates is hereby approved, confirmed, and ratified.

SECTION 14.AUTHORIZATION TO HIRE PROFESSIONALS. The Corporation hereby authorizes the President to negotiate and contract for the hiring of such other professional service firms as the Authorized Representatives, in coordination with the Division, determine are necessary to consummate the financing contemplated herein, including without limitation, special counsel, financial advisors, and verification agents, including modifying or amending any existing contracts.

SECTION 15.SEVERABILITY OF INVALID PROVISIONS. If any one or more paragraph, clause, or provision of either this resolution or of any document or agreement hereby authorized shall be held to be invalid or ineffective for any reason, then such paragraph, clause, or provision shall be null and void and shall be deemed separable from the remaining paragraphs, clauses, and provision and shall in no way affect the validity of any of the other provisions hereof or of any such document or agreement hereby authorized. Such remaining paragraphs, clauses, and provisions shall continue in full force and effect, it being expressly hereby found and declared that the remainder thereof would have been adopted despite the invalidity or ineffectiveness of such section, paragraph, clause, or provision.

SECTION 16.REPEALING CLAUSE. All resolutions, or parts thereof, or other official actions of the Corporation in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

SECTION 17.EFFECTIVE DATE. This Resolution shall take effect immediately upon adoption.

ADOPTED this this 26th day of May, 2021.

FLORIDA CORRECTIONAL FINANCE
CORPORATION

By: _____
J. Ben Watkins, III, President

Attest:

By: _____

Secretary

EXHIBITS TO RESOLUTION NO. 2021-01

Exhibit A

Form of Schedule No. 2021A

Exhibit B

Form of Series 2021A Supplemental Trust Indenture

Exhibit C

Form of Series 2021A Assignment

Exhibit D

Form of Preliminary Offering Statement

Exhibit E

Form of Amendment

Exhibit F

Form of Notice of Sale

Exhibit A
Form of Schedule No. 2021A

[FORM OF]

SCHEDULE NO. 2021A TO THE MASTER LEASE AGREEMENT

Between

STATE OF FLORIDA DEPARTMENT OF MANAGEMENT SERVICES, as Lessee

and

FLORIDA CORRECTIONAL FINANCE CORPORATION, as Lessor

Dated _____, 2021

Relating to the

\$ _____ CERTIFICATES OF PARTICIPATION, SERIES 2021A

*RESTRICTION ON TRANSFER:
ASSIGNMENT OF THIS SCHEDULE NO. 2021A IS SUBJECT TO THE
RESTRICTION THAT THE LESSOR MAY ONLY ASSIGN ITS INTEREST HEREIN TO
U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE*

SCHEDULE NO. 2021A

THIS SCHEDULE NO. 2021A, dated _____, 2021 (the "Schedule") is hereby entered into under and pursuant to the Amended and Restated Master Lease Agreement with Option to Purchase, dated February 1, 2009, amending and restating a Master Lease Agreement with Option to Purchase, dated November 1, 2001 (the "Master Lease Agreement"), between by and between the Florida Correctional Finance Corporation, a not-for-profit, special purpose corporation created under the laws of the State of Florida, as Lessor (the "Corporation"), and the STATE OF FLORIDA DEPARTMENT OF MANAGEMENT SERVICES, as successor to the Correctional Privatization Commission, as Lessee (the "Department"), pursuant to which the Lessor has agreed to lease-purchase unto the Lessee and the Lessee has agreed to lease-purchase from the Lessor the Series 2021A Project herein described, subject to the terms and conditions of the Master Lease Agreement, which are hereby incorporated by reference as if set out in full herein. The Master Lease Agreement, with respect to this Schedule and as amended, modified, and supplemented hereby, is referred to herein as the "Series 2021A Lease."

All terms and conditions contained in the Master Lease Agreement, unless otherwise amended or superseded hereby are incorporated herein by reference.

SECTION 1. DEFINITIONS. All words and terms that are defined in the Master Trust Indenture or Master Lease Agreement shall have the same meanings ascribed to therein when used herein, unless the context or use indicates a different meaning or intent. In addition to the words and terms elsewhere defined in this Schedule, the following words and terms as used in this Schedule shall have the following meaning for the purposes of the Series 2021A Lease, unless the context or use indicates another or different meaning or intent:

"*FDOC*" shall mean the State of Florida Department of Corrections.

"*FDOC Sublease*" shall mean the Sublease Agreement between the Department, as Sublessor, and FDOC, as Sublessee, dated _____, 2021, pursuant to which FDOC subleases the 2021A Project from the Department, and operates the 2021A Project as State Correctional Institutions.

"*Lake Correctional Institution*" shall mean the existing State Correctional Institution operated by FDOC located in Clermont, in Lake County, Florida.

"*Permitted Encumbrances*" shall mean the Permitted Encumbrances set forth on Exhibit A hereto.

"*Rating Agency*" shall mean Fitch, Moody's, S&P and any other nationally recognized municipal bond rating agency.

"*Rent Payment Commencement Date*" for the Series 2021A Project is _____, 2021.

"*Series 2021A Assignment*" shall mean the Assignment of Leases, Rents and Profits dated _____, 2021 between the Corporation, as Lessor, and U.S. Bank National Association, as Trustee, pursuant to which the Corporation, as Assignor, has assigned to the Trustee, as Assignee, all its rights, title, and interest in and to the Series 2021A Lease, except as otherwise provided therein.

"*Series 2021A Certificates*" or "*Certificates*" shall mean the tax-exempt \$_____ State of Florida Department of Management Services, Certificates of Participation, Series 2021A, Evidencing Fractional Undivided Interest of the Owners thereof in Basic Rent Payments to be Made by the State of Florida Department of Management Services, as Lessee, under an Amended and Restated Master Lease Agreement with Option to Purchase with Florida Correctional Finance Corporation, as Lessor.

"*Series 2021A Equipment*" shall mean, with respect to each correctional facility constituting a part of the Series 2021A Project, the property, and improvements described as such on Exhibit A hereto.

“*Series 2021A Land*” shall mean the real property subject to Schedule No. 2021A, be leased by the Lessor to the Lessee pursuant to this Series 2021A Lease, as the same may be amended or supplemented from time to time, and which is subleased to FDOC pursuant to the FDOC Sublease.

“*Series 2021A Project*” shall mean the 550 bed inpatient mental health treatment facility on the Series 2021A Land at the Lake Correctional Institution as described in this Schedule No. 2021A.

“*Series 2021A Sublease*” shall mean the Sublease dated _____, 2021 pursuant to which FDOC will sublease the Series 2021A Project from the Department, and operate the Series 2021A Project as a State Correctional Institution.

“*Series 2021A Supplemental Trust Indenture*” shall mean the Supplemental Trust Indenture dated _____, 2021 between the Corporation, as Lessor, and the Trustee supplementing the Master Trust Indenture in connection with the Series 2021A Certificates.

“*Term Certificate*” shall mean the aggregate principal amount of the Series 2021A Certificates scheduled to mature in any two or more consecutive years, which shall, in lieu of maturing in each of such years, be considered to comprise a single maturity scheduled to mature in the latest of such years.

SECTION 2. LEASE TERM. The total of all Lease Terms of the Series 2021A Lease are expected to be ____ (____) years consisting of an “Original Term” of approximately _____ months from _____, 2021, through and including June 30, 2022 and ____ Renewal Terms, each from July 1 through and including June 30 of the next succeeding calendar year, through and including June 30, 2042 (or earlier payment in full of all rent due under the Series 2021A Lease). Each Lease Term shall be subject to annual renewal pursuant to the provisions of Article II of the Master Lease Agreement.

SECTION 3. THE SERIES 2021A PROJECT. The Series 2021A Project to be lease-purchased under the Series 2021A Lease is described as follows:

A. General Description of the Series 2021A Project to be Lease-Purchased. The design, construction, and equipping of the 550 bed inpatient mental health treatment facility at the existing Lake County Correctional Institution to provide inpatient mental health treatment services to inmates in a secure setting. The Lake Correctional Institution, is located on U.S. Highway 27 in Clermont, Lake County, Florida. The inpatient mental health treatment facility will be located within the secure perimeter of the Lake Correctional Institution, and include 18 secure housing units (11 transitional care units, four crisis stabilization units, three court-ordered mental health units) and one medical stabilization unit, and related facilities. The project will also include improvements to certain existing structures and utilities serving the Lake County Correctional Institution to accommodate the increased number of inmates which are not located on the Series 2021A Project and are being financed as Series 2021A Equipment.

B. Estimated Cost of construction of Series 2021A Project. The Series 2021A Project will be built using construction management and inmate labor construction, with construction expected to be completed by March 2024. The cost of financing the construction and equipping of the inpatient mental health treatment facility is expected to be approximately \$158.2 million of which \$ _____ million is expected to be used to construct or acquire Equipment.

SECTION 4. LAND TO BE GROUND LEASED TO THE LESSOR AND PERMITTED ENCUMBRANCES. The legal description of the Land on which the Series 2021A Project is to be constructed, including the Series 2021A Land ground leased to the Lessor by FDOC pursuant to the FDOC Sublease and the Series 2021A Sublease thereto, and any Permitted Encumbrances in addition to those specified in the Master Lease Agreement are set forth in Exhibit A hereto.

Notwithstanding the foregoing, in the event the Lessor agrees to lease-purchase finance any improvements or additions to the Series 2021A Project through a future Series of Certificates under the Master Trust Indenture, the Lessor reserves the right to finance such improvements and additions, and the Lessor and Lessee expressly agree to release from this Schedule No. 2021A any land that may be necessary for such improvements and expansions.

SECTION 5. APPLICATION OF PROCEEDS OF THE SERIES 2021A CERTIFICATES. Net proceeds of the sale of the Series 2021A Certificates in the amount of \$_____ (consisting of Certificate proceeds of \$_____ [plus] [minus] an original issue [premium] [discount] of \$_____ and minus the Underwriters' discount of \$_____ and plus \$_____ accrued interest) shall be deposited by the Trustee as follows:

\$_____ to the 2021A Acquisition Account;
\$_____ to the 2021A Cost of Issuance Account;
\$_____ to the 2021A Capitalized Interest Account; and
\$_____ to the 2021A Rent Payment Account.

SECTION 6. BASIC RENT PAYMENTS. The principal portion and the interest portion of the Basic Rent Payments, the Rent Payment Dates and the Remaining Principal Portion with respect to the Series 2021A Project to be lease-purchased and the Series 2021A Certificates attributable to such Project are set forth below. If, upon the Rent Payment Commencement Date, it is determined that the cost of, and consequently the actual amount of Basic Rent Payments for the Series 2021A Project is different from the amount set forth herein at closing, this Section shall be revised prospectively as necessary to reflect the adjusted Schedule of Basic Rent Payments for the Series 2021A Project and Land to be lease-purchased as the Series 2021A Project.

The interest portion of the Basic Rent Payments represented by the Series 2021A Certificates, expressed as an annual interest rate, and calculated on the basis of a 360-day year of twelve 30-day months, is exempt from the limitations on interest rates set forth in Section 215.84, Florida Statutes, since the Series 2021A Certificates are rated within the three highest rating categories by a Rating Agency.

Basic Rent Payments represented by the Series 2021A Certificates shall consist of the Series 2021A Basic Rent Payments reflected on the following table:

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SERIES 2021A BASIC RENT PAYMENTS

<u>Payment Date</u>	<u>Basic Rent Payment¹</u>	<u>Principal Portion</u>	<u>Interest Portion</u>	<u>Concluding Payment²</u>
November 15, 2021				
May 15, 2022				
November 15, 2022				
May 15, 2023				
November 15, 2023				
May 15, 2024				
November 15, 2024				
May 15, 2025				
November 15, 2025				
May 15, 2026				
November 15, 2026				
May 15, 2027				
November 15, 2027				
May 15, 2028				
November 15, 2028				
May 15, 2028				
November 15, 2029				
May 15, 2029				
November 15, 2030				
May 15, 2030				
November 15, 2030				
May 15, 2031				
November 15, 2031				
May 15, 2032				
November 15, 2032				
May 15, 2033				
November 15, 2033				
May 15, 2034				
November 15, 2034				
May 15, 2035				
November 15, 2035				
May 15, 2036				
November 15, 2036				
May 15, 2037				
November 15, 2037				
May 15, 2038				
November 15, 2038				
May 15, 2039				
November 15, 2039				
May 15, 2040				
November 15, 2040				
May 15, 2041				

¹ The Basic Rent Payments are payable in accordance with the Series 2021A Lease regardless of actual occupancy of the Series 2021A Project.

² Represents unpaid principal until the maturity date, but does not include interest to the redemption date or the impact of any reinvestment of funds prior to such redemption date.

SECTION 7. SUPPLEMENTAL LEASE PAYMENTS. The Supplemental Lease Payments with respect to the Series 2021A Certificates include the following compensation to the Trustee for its services under the Master Trust Indenture with respect to the Series 2021A Certificates, to the extent not already paid as part of the Costs of Issuance: \$_____ billed annually, plus \$_____ acceptance fee due upon Series 2021A Lease execution and \$_____ due at or about closing

SECTION 8. PREPAYMENT PROVISIONS. Notwithstanding Section 16.2 of the Master Lease Agreement, the Series 2021A Certificates are not subject to mandatory prepayment from Net Proceeds or other excess funds in the Series 2021A Acquisition Account and such Net Proceeds or excess funds in the Series 2021A Acquisition Account shall be applied as set forth in Section 9.F herein.

In addition to or in lieu of the prepayment provisions of Section 17 of the Master Lease Agreement, the principal portion of the Basic Rent Payments due as provided in Section 6 of this Schedule No. 2021A are subject to the following prepayment provisions;

A. Optional Prepayment. The Series 2021A Certificates maturing in 2031 and thereafter, including any Term Certificates, are subject to the optional prepayment as set forth in Section 201(f) of the Series 2021A Supplemental Trust Indenture.

B. Mandatory Sinking Fund Prepayment. The Term Certificates are subject to mandatory sinking fund prepayment as set forth in Section 201(g) of the Series 2021A Supplemental Trust Indenture.

SECTION 9. OTHER SPECIAL PROVISIONS.

A. Representations; Warranties; and Covenants of the Lessee. The Lessee hereby confirms its representations, covenants and warranties set forth in Section 4 of the Master Lease Agreement, except that all references therein to the Master Lease shall be deemed to refer to the Master Lease as supplemented by this Schedule No. 2021A, and except as otherwise provided below. The Lessee represents that all changes to the documents relating to the financing of the Series 2021A Project and all related certificates and opinions required by the Ratings Agencies as a condition to the issuance of the ratings with respect to the Series 2021A Certificates have been effectuated and such ratings are in effect on the date hereof.

B. Notices. [RESERVED]

C. Environmental Matters. In addition to the environmental representations and covenants of the Lessee set forth in Master Lease Agreement, the Lessee hereby covenants that:

(1) To the best knowledge of the Lessee, after due inquiry, (i) no dangerous, toxic or hazardous pollutants, contaminants, chemicals, waste, materials, or substances, as defined in or governed by the provisions of any federal, state, or local law, statute, code, ordinance, regulation, requirement, or rule relating thereto (collectively, the "Environmental Regulations"), and also including urea formaldehyde, polychlorinated biphenyls, asbestos, asbestos containing materials, nuclear fuel or waste, radioactive materials, explosives, carcinogens, and petroleum products, or any other waste, material, substance, pollutant, or contaminant which would subject the owner of the Series 2021A Project to any damages, penalties, or liabilities under any applicable Environmental Regulation (collectively, "Hazardous Substances") are now or have been stored, located, generated, produced, processed, treated, transported, incorporated, discharged, emitted, released, deposited or disposed of in, upon, under, over or from the Series 2021A Project in violation of any Environmental Regulation; (ii) no threat exists of a discharge, release, or emission of a Hazardous Substance upon or from the Series 2021A Project into the environment; (iii) the Series 2021A Project not been used as or for a mine, landfill, a dump or other disposal facility, industrial or manufacturing facility, or a gasoline service station; (iv) no underground storage tank is located at the Series 2021A Project or has previously been located therein but has been removed therefrom; and (v) no

violation of any Environmental Regulation now exists relating to the Series 2021A Project, no notice of any such violation or any alleged violation thereof has been issued or given by any governmental entity or agency, and there is not now any investigation or report involving the Series 2021A Project by any governmental entity or agency, and there is not now any investigation or report involving the Series 2021A Project by any governmental entity or agency as a result of any release or threatened release of any Hazardous Substance.

(2) The Lessee (i) shall not store, locate, generate, produce, process, treat, transport, incorporate, discharge, emit, release, deposit, or dispose of any Hazardous Substance in, upon, under, over, or from the Series 2021A Project in violation of any Environmental Regulation; (ii) shall not permit any Hazardous Substance to be stored, located, generated, produced, processed, treated, transported, incorporated, discharged, emitted, released, deposited, disposed of or to escape therein, thereupon, thereunder, thereover, or therefrom in violation of any Environmental Regulation; (iii) shall cause all Hazardous Substances to be properly removed therefrom and properly disposed of in accordance with all applicable Environmental Regulations; (iv) shall not install or permit to be installed any underground storage tank therein or thereunder in violation of any Environmental Regulation; and (v) shall comply with all other Environmental Regulations which are applicable to the Series 2021A Project.

(3) In the event (i) any Hazardous Substance is found upon, under, over, or from the Series 2021A Project in violation of any Environmental Regulation, or (ii) any lien, or claim for lien in favor of any governmental entity or agency as a result of any release of any Hazardous Substance is threatened, the Lessee, at its sole cost and expense, shall, within ten (10) days of such finding, deliver written notice thereof to the Lessor and shall promptly remove such Hazardous Substances upon, under, over, or from the Series 2021A Project and prevent the imposition of any liens against the Series 2021A Project for the cleanup of any Hazardous Substance. The Removal of such Hazardous Substance shall be conducted and completed in compliance with all applicable federal, state, and local laws, regulations, rules, ordinances and policies, in accordance with the orders and directives of all federal, state and local governmental authorities. In the event the Lessee has not removed such Hazardous Substances within a time period deemed reasonable by the Lessor, the Lessee shall, at the written direction of the Lessor, take such remedial action as Lessor shall direct. In the event the Lessee shall not comply with the written directions of the Lessor within the time frame established within its written directions, the Lessee hereby grants to the Lessor an irrevocable license to remove Hazardous Substances from, repair, cleanup, and detoxify the Series 2021A Project and agrees to reimburse the Lessor for all of its costs therefor.

(4) The Lessee further agrees, to the extent permitted by law, to reimburse the Trustee for any and all claims, demands, judgments, penalties, liabilities, costs, damages, and expenses, including court costs and attorneys' fees directly or indirectly incurred by the Trustee (prior to trial, at trial, and on appeal) in any action against or involving the Trustee, resulting from any breach of the foregoing covenants, or from the discovery of any Hazardous Substance, in, upon, under, or over, or emanating from, the Series 2021A Project, in violation of Environmental Regulations.

It is the intent of the Lessee that the Trustee shall have no liability or responsibility for damage or injury to human health, the environment, or natural resources caused by, for abatement and/or clean-up of, or otherwise with respect to, Hazardous Substances by virtue of the interests of the Trustee in the Series 2021A Project pursuant to the Series 2021A Lease, or as the result of the Trustee exercising any of its rights or remedies with respect thereto.

The foregoing representations, warranties, and covenants of this subsection shall be deemed continuing covenants, representations and warranties for the benefit of the Trustee and any successors and assigns of the Trustee and shall survive the satisfaction or release of the Series 2021A Lease. Any amounts covered by the foregoing shall bear interest from the date incurred at the maximum rate permitted by law and shall be payable on demand.

To the extent any of the foregoing provisions are inconsistent with the environmental representations and covenants of the Series 2021A Lessee set forth in the Master Lease Agreement, the provisions of this Section 9.C. shall control.

D. Substitution or Release of Leased Property. The Lessee may not substitute or release the Leased Property without the prior written consent of the Trustee, in its sole discretion; provided however, the Lessee shall be entitled to substitute for the Series 2021A Equipment in accordance with the Master Lease Agreement. Prior to granting any such consent, the Trustee shall be provided with an opinion of Special Counsel as to whether such substitution or release will have a materially adverse effect on the exclusion of the Interest Portion of the Series 2021A Certificates from gross income for federal income tax purposes, and such other matters as may be opined on by such counsel.

E. Insurance. No additional insurance required.

F. Net Proceeds and excess funds in the Series 2021A Acquisition Account. The provisions of Section 16.2 of the Master Lease Agreement shall not apply to the Series 2021A Lease. Notwithstanding Section 15(a) and Section 15(b) of the Master Lease Agreement, in the event that Net Proceeds of an insurance or condemnation award or of an appropriation made in connection with a self-insurance election remain in the Series 2021A Acquisition Account following either (a) the completion of the repair, restoration, or replacement of the Series 2021A Project with a portion of the Net Proceeds, or (b) the election of the Lessor to not repair, restore, or replace the Series 2021A Project with the Net Proceeds, such Net Proceeds shall not be credited to the Series 2021A Prepayment Account in the Extraordinary Prepayment Fund. Further, excess funds remaining in the Series 2021A Acquisition Account on the Completion Date of the Series 2021A Project shall not be credited to the Series 2021A Prepayment Account in the Extraordinary Prepayment Fund.

In the event that any Net Proceeds or excess funds remain in the Series 2021A Acquisition Account, the Lessee will cause such Net Proceeds or other amounts to remain in or be deposited into the Series 2021A Acquisition Account and to be applied to finance Projects not then subject to the Master Lease Agreement and will cause this Schedule No. 2021A to be amended to add such Projects hereto, in accordance with the amendment requirements hereof, or, alternatively, to be used for any lawful purpose.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties have caused this this Schedule No. 2021A to be executed in their names by their Authorized Representatives on the date set forth below by their respective signatures and all of the day and year first written above.

Dated _____ 2021.

STATE OF FLORIDA DEPARTMENT OF
MANAGEMENT SERVICES, as Lessee

(S E A L)

By: _____
[Name], Secretary

FLORIDA CORRECTIONAL FINANCE
CORPORATION, as Lessor

By: _____
J. Ben Watkins, III, President

Attest:

By: _____
[Name], Secretary

EXHIBIT A

THE SERIES 2021A PROJECT

1. *Lake Correctional Institution Inpatient Mental Health Unit (Series 2021A Project)*

A. Project Description: The Series 2021A Project consists of the design, construction, and equipping of the 550 bed inpatient mental health treatment facility at the existing Lake Correctional Institution to provide inpatient mental health treatment services to inmates in a secure setting. The Lake Correctional Institution, is located on U.S. Highway 27 in Clermont, Lake County, Florida. The inpatient mental health treatment facility will be located within the secure perimeter of Lake Correctional Institution, and include 18 secure housing units (11 transitional care units, four crisis stabilization units, three court-ordered mental health units) and one medical stabilization unit, and related facilities. The secure housing units have been designed to allow all treatment services such as individual therapy, group therapy, community therapy, and recreation to be provided within each secure housing unit, thereby reducing the need to escort patients off the secure units. The facility will also contain programming/education classrooms for the general population inmates who will still reside at Lake Correctional Institution, as well as for those mental health inmates who demonstrate the ability to attend such services outside of their secure unit. The project will also include improvements to certain existing structures and utilities serving the Lake Correctional Institution to accommodate the increased number of inmates which are not located on the Series 2021A Project and are being financed as Series 2021A Equipment.

B. Equipment: \$ _____ is expected to be used to construct or acquire Equipment consisting of [insert list with specific descriptions]

C. Legal Description: The Series 2021A Project is located on the Series 2021A Land, being a portion of the Northeast ¼ of the Northwest ¼ of Section 36, Township 21 South, Range 25 East of the Tallahassee Meridian, situated in Lake County, Florida, consisting of 40 acres, more or less.

Exhibit B

Form of Series 2021A Supplemental Trust Indenture

[FORM OF]

SERIES 2021A SUPPLEMENTAL TRUST INDENTURE

Between

FLORIDA CORRECTIONAL FINANCE CORPORATION, as Lessor

and

U.S. BANK NATIONAL ASSOCIATION, as Trustee

and accepted by

STATE OF FLORIDA DEPARTMENT OF MANAGEMENT SERVICES

Dated _____, 2021

Relating to the

\$ _____ CERTIFICATES OF PARTICIPATION, SERIES 2021A

SERIES 2021A SUPPLEMENTAL TRUST INDENTURE

THIS **SERIES 2021A SUPPLEMENTAL TRUST INDENTURE**, dated _____, 2021 (the “Series 2021A Supplemental Trust Indenture”), supplementing the Amended and Restated Master Trust Indenture, dated February 1, 2009, amending and restating a Master Trust Indenture dated November 1, 2001 (the “Master Trust Indenture”), by and between the FLORIDA CORRECTIONAL FINANCE CORPORATION, a not-for-profit, special purpose corporation created under the laws of the State of Florida, as Lessor (the “Corporation”), and U.S. BANK NATIONAL ASSOCIATION, a national banking association with corporate trust powers qualified to accept trusts of the type set forth in the Master Trust Indenture, with a designated corporate trust office in Jacksonville, Florida, as Trustee (the “Trustee”), and accepted by the State of Florida Department of Management Services (the “Department”).

RECITALS

WHEREAS, pursuant to Ch. 93-406, Laws of Florida, the Correctional Privatization Commission (the “Commission”) was created for the purpose of entering into contracts for the designing, financing, leasing, acquiring, constructing and operating of Private Correctional Facilities; and

WHEREAS, pursuant to the Act, as then in effect, and the laws of the State, the Commission, as Lessee, previously entered into a Master Lease Purchase Agreement with Option to Purchase with the Corporation, as Lessor, dated November 1, 2001 (the “Original Lease Purchase Agreement”) relating to the acquisition, construction and equipping of correctional facilities to be located in the State, and has acknowledged and accepted the Master Trust Indenture, between the Corporation, as Lessor, and the Trustee dated November 1, 2001 (the “Original Trust Indenture”); and

WHEREAS, as of July 1, 2004, the Commission was abolished and the Department succeeded to all of the rights, benefits, and obligations of the Commission, including all contracts previously entered into by the Commission, including the Original Lease Purchase Agreement and all Schedules thereto and the Original Trust Indenture and all Supplemental Trust Indentures thereto; and

WHEREAS, the Department is authorized to finance the acquisition, construction, and equipping of Private Correctional Facilities and State Correctional Institutions pursuant to the Act; and

WHEREAS, the Department has deemed it to be in the State’s best interest to lease-purchase certain Land and personal property from time to time to finance such facilities, and has entered into an Amended and Restated Master Lease Agreement with Option to Purchase with the Corporation dated February 1, 2009, which amended and restated, in its entirety, the Original Lease Purchase Agreement (the “Master Lease Agreement”) and has acknowledged and accepted the Master Trust Indenture; and

WHEREAS, pursuant to the Master Lease Agreement, the Department may from time to time, by execution of one or more Schedules thereto, direct the Corporation to acquire, construct, lease-purchase, or refinance the Projects described in such Schedules; and

WHEREAS, provision for the payment of the Costs of such Projects may be made by the issuance and sale of one or more Series of Certificates issued under the Master Trust Indenture, which shall be secured by and be payable from Basic Rent Payments to be made by the Department pursuant to the Master Lease Agreement and related Schedules; and

WHEREAS, the Master Trust Indenture provides that each Series of Certificates shall be secured independently from each other Series of Certificates, except as otherwise provided in a Supplemental Trust Indenture; and

WHEREAS, pursuant to Ch. 2020-[cite], Laws of Florida, the State Legislature has specifically authorized the Department to finance a new State Correctional Facility on behalf of FDOC through the issuance of Certificates under the Master Lease Agreement and the Master Trust Indenture; and

WHEREAS, the Corporation has adopted a resolution on May 26, 2021 (the “Sale Resolution”), authorizing, at the request of the Department, the sale and issuance of the Series 2021A Certificates for the purpose of financing the Costs of the Series 2021A Project and paying the Costs of Issuance of the Series 2021A Certificates, and authorizing an amendment to the Master Lease Agreement to clarify an the meaning of an “Event of Non Appropriation” in Section 2.6 thereof (the “First Amendment to Lease Purchase Agreement”); and

WHEREAS, the Department and the Corporation have executed Schedule No. 2021A, as of the date hereof, providing for the lease-purchase financing of the Series 2021A Project; and

WHEREAS, the Department and the Corporation desire the written consent of the Trustee the First Amendment to Lease Purchase Agreement; and

WHEREAS, the Corporation has assigned to the Trustee all of its right, title, and interest in and to the Series 2021A Lease and the Rent Payments thereunder, other than its rights to indemnification and to receive notices and to give consents and approvals thereunder, pursuant to the Series 2021A Assignment; and

WHEREAS, the Trustee has received a written order from an Authorized Representative of the Corporation relating to the execution and delivery of the Series 2021A Certificates pursuant to Section 2.17 of the Master Trust Indenture and has agreed to execute and deliver the Series 2021A Certificates to provide funds for the lease-purchase financing of the Series 2021A Project; and

WHEREAS, the Series 2021A Certificates shall be issued pursuant to the Master Trust Indenture and this Series 2021A Supplemental Trust Indenture to finance the Cost of the Series 2021A Project and to pay Costs of Issuance of the Series 2021A Certificates; and

WHEREAS, the Series 2021A Certificates shall be secured in the manner provided in the Master Trust Indenture and shall have the terms and provisions contained in this Series 2021A Supplemental Trust Indenture; and

WHEREAS, all things necessary to make the Series 2021A Certificates, when executed by the Trustee and delivered as provided herein and in the Trust Indenture, the valid, binding, and legal obligations according to the terms thereof, have been done and performed, and the creation, execution, and delivery of this Series 2021A Supplemental Trust Indenture, and the creation, execution, and delivery of the Series 2021A Certificates subject to the terms thereof, have in all respects been duly authorized.

NOW, THEREFORE, in consideration of the mutual agreements and covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I AUTHORITY; DEFINITIONS

SECTION 101. DEFINITIONS. All words and terms that are defined in the Master Trust Indenture or Master Lease Agreement shall have the same meanings ascribed to therein when used herein, unless the context or use indicates a different meaning or intent.

In addition to the words and terms elsewhere defined in this Series 2021A Supplemental Indenture, the following words and terms as used in this Series 2021A Supplemental Trust Indenture shall have the following meaning unless the context or use indicates another or different meaning or intent:

“*Act*” shall mean Chapters 20, 255, 287, 944 and 957, Florida Statutes, as amended, and the Constitution of the State of Florida, as amended.

“*Authorized Denominations*” shall mean, with respect to the Series 2021A Certificates, \$1,000, or any integral multiple of \$1,000 in excess thereof.

“*FDOC*” shall mean the State of Florida Department of Corrections.

“*FDOC Sublease*” shall mean the Sublease dated _____, 2021 pursuant to which FDOC will sublease the Series 2021A Project from the Department, and operate the Series 2021A Project as a State Correctional Institution.

“*Government Obligations*” shall mean, for the purpose of defeasing the Series 2021A Certificates, the following non-callable and non-prepayable securities, if and to the extent the same are permitted by law: cash, direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States and including advance refunded tax-exempt bonds fully secured by non-callable direct obligations of the United State of America, non-callable obligations guaranteed by the United States of America, or “stripped” interest payment obligations of debt obligations of the Resolution Funding Corporation (“REFCORP”).

“*Qualified Investments*” shall mean and include, direct obligations of the United States of America, or such obligations as shall be permitted to be legal investments by the laws of the State of Florida, as set forth in Section 17.57(2) and Section 215.47(1), Florida Statutes, as such statutes shall be amended from time to time; provided, however, that such obligations shall be restricted to the extent necessary for each Rating Agency which maintains a rating on the Series 2021A Certificates to maintain a rating in at least the “A” category or its equivalent.

“*Rating Agency*” shall mean Fitch, Moody’s, S&P and any other nationally recognized municipal bond rating agency.

“*Schedule No. 2021A*” shall mean the Schedule between the Department, as Lessee, and the Corporation, as Lessor, supplementing the Master Lease Agreement in connection with the Series 2021A Certificates.

“*Series 2021A Assignment*” shall mean the Assignment of Leases, Rents and Profits dated _____, 2021 between the Corporation, as Lessor, and the Trustee, pursuant to which the Corporation, as Assignor, has assigned to the Trustee, as Assignee, all its rights, title, and interest in and to the Series 2021A Lease, except as otherwise provided therein.

“*Series 2021A Certificates*” shall mean the tax-exempt \$_____ State of Florida, Department of Management Services, Certificates of Participation, Series 2021A, Evidencing Fractional Undivided Interest of the Owners thereof in Basic Rent Payments to be Made by the State of Florida Department of Management Services, as Lessee, under an Amended and Restated Master Lease Agreement with Option to Purchase with Florida Correctional Finance Corporation, as Lessor, at the same are created in Section 201(a) of this Series 2021A Supplemental Trust Indenture.

“*Series 2021A Land*” shall mean the real property subject to Schedule No. 2021A, be leased by the Lessor to the Lessee pursuant to this Series 2021A Lease, as the same may be amended or supplemented from time to time, and which is subleased by the Lessee to FDOC pursuant to the FDOC Sublease.

“*Series 2021A Lease*” shall mean the Master Lease Agreement as supplemented by the Schedule No. 2021A.

“*Series 2021A Project*” shall mean, collectively, the design, construction and equipping of the 550 bed inpatient mental health treatment facility on the Series 2021A Land at the Lake Correctional Institution as described in Schedule No. 2021A to the Master Lease Agreement.

“*Series 2021A Project Costs*” shall mean the Costs of the Series 2021A Project including, without limitation, Costs already incurred.

“*Series 2021A Reserve Requirement*” shall mean an amount which may not exceed the lesser of (i) the maximum principal portion and interest portion of Basic Rent Payments represented by the Series 2021A Certificates in the current or any subsequent Fiscal Year; (ii) one hundred twenty-five percent (125%) of the average principal portion and interest portion of Basic Rent Payments represented by the Series 2021A Certificates in the current or any subsequent Fiscal Year; and (iii) the maximum amount permitted by the Code, but in all events, subject to the release of funds as provided in Section 402 hereof. Such amount shall be zero (\$0.00).

“*Term Certificate*” shall mean the aggregate principal amount of the Series 2021A Certificates scheduled to mature in any two or more consecutive years, which shall, in lieu of maturing in each of such years, be considered to comprise a single maturity scheduled to mature in the latest of such years.

SECTION 102. AUTHORITY FOR THIS SUPPLEMENTAL TRUST INDENTURE. This Series 2021A Supplemental Indenture is adopted pursuant to the provisions of the Act and the Master Trust Indenture, and, with respect to the Master Trust Indenture and the Master Lease Agreement, shall constitute a Supplemental Trust Indenture.

ARTICLE II THE SERIES 2021A CERTIFICATES

SECTION 201. AUTHORIZATION OF SERIES 2021A CERTIFICATES.

(a) There is hereby created a tax-exempt Series of Certificates to be issued under the Master Trust Indenture to be known as “State of Florida, Department of Management Services, Certificates of Participation, Series 2021A, Evidencing Fractional Undivided Interest of the Owners thereof in Basic Rent Payments to be Made by the State of Florida Department of Management Services, as Lessee, under an Amended and Restated Master Lease Agreement with Option to Purchase with Florida Correctional Finance Corporation, as Lessor.”

The Series 2021A Certificates shall be issued for the purpose of paying Costs of Issuance of the Series 2021A Certificates and financing the Series 2021A Project Costs.

[Remainder of Page Intentionally Left Blank]

(b) The Series 2021A Certificates shall be dated _____, 2021 (the “Dated Date”), and interest with respect thereto shall be payable from the later of such date or the Payment Date next preceding the date of execution and delivery to which payment has been made or provided. The Series 2021A Certificates shall be in the aggregate principal amount of _____ Million _____ Hundred _____ Thousand and __/100 Dollars (\$ _____), shall mature in the years and principal amounts set forth below, and shall bear interest at the annual rates as, in each case, is set forth below:

\$ _____ Series 2021A Certificates

Serial Certificates

<u>MATURITY</u>	<u>PRINCIPAL AMOUNT</u>	<u>INTEREST RATE</u>
November 1, 2021	\$	%
November 1, 2022		
November 1, 2023		
November 1, 2024		
November 1, 2025		
November 1, 2026		
November 1, 2027		
November 1, 2028		
November 1, 2029		
November 1, 2030		
November 1, 2031		
November 1, 2032		
November 1, 2033		
November 1, 2032		
November 1, 2033		
November 1, 2034		
November 1, 2035		
November 1, 2036		
November 1, 2037		
November 1, 2038		
November 1, 2039		
November 1, 2040		

[Term Certificates]

<u>MATURITY</u>	<u>PRINCIPAL AMOUNT</u>	<u>INTEREST RATE</u>
November 1, 20__		

The principal portion represented by the Series 2021A Certificates due at maturity or upon prepayment thereof, whichever is earlier, shall represent undivided proportionate interests in the principal portion of the Basic Rent Payments due on each of the dates set forth on Schedule No. 2021A to the Master Lease.

(c) The interest portion represented by the Series 2021A Certificates shall be payable semiannually on May 1 and November 1 of each year to and including the date of maturity or prepayment, whichever is earlier,

commencing on November 1, 2021. Said interest shall represent an undivided proportionate interest in the interest portion of Basic Rent Payments due on each of the dates set forth on Schedule No. 2021A to the Master Lease Agreement, to and including the maturity or earlier prepayment date on each Series 2021A Certificates.

(d) The Series 2021A Certificates shall be delivered in registered form in the denominations of \$1,000 or any integral multiple of \$1,000. The Series 2021A Certificates will be initially issued in book-entry-only form as a single registered certificate for each maturity registered in the name of Cede & Co., the nominee of The Depository Trust Company, New York, New York (“DTC”). Subject to the provisions of the Master Trust Indenture, the forms of the Series 2021A Certificates shall be substantially in the form set forth in Exhibit “B” of the Master Trust Indenture.

So long as there shall be maintained a book-entry-only system with respect to the Series 2021A Certificates, the provisions of Section 206 of this Series 2021A Supplemental Trust Indenture shall apply.

(e) The principal portion or Prepayment Price of the Series 2021A Certificates shall be payable at the designated corporate trust office of the Trustee. The interest portion represented by the Series 2021A Certificates shall be payable by check or draft of the Trustee mailed to the Certificate Owner at the address of the Certificate Owner shown on the registration records maintained by the Trustee as of the 15th day (whether or not a Business Day) of the calendar month next preceding the month in which the Payment Date occurs. Such interest portion may be paid by wire transfer to the registered owners of at least \$1,000,000 or more in aggregate principal amount of Series 2021A Certificates upon their request in writing received no later than 15 days prior to the Interest Payment Date, to a bank account in the continental United States designated in writing by such owner. The Trustee may charge a reasonable fee to the Certificate Owner for the cost of the wire transfer.

(f) The Series 2021A Certificates, including any Term Certificates, are subject to Optional Prepayment at the direction of the Department as provided herein. The Series 2021A Certificates maturing in 2031 and thereafter shall be subject to prepayment and redemption on or after November 1, 2030, at the option of the Department from prepayments of Basic Rent Payments made by the Department pursuant to the Series 2021A Lease, in whole or in part on November 1, 2030, or on any day thereafter and, if in part, in such order of maturities as may be designated by the Department or if not so designated, in the inverse order of maturities, and by lot within a maturity in such manner as may be designated by the Trustee, at the Prepayment Price of the principal amount of such Series 2021 Certificates to be redeemed, plus the accrued and unpaid interest thereon, if any, to the Prepayment Date.

(g) The Term Certificates are subject to mandatory sinking fund prepayment as provided herein. The Series 2021A Certificates (the “20__ Term Certificates”) maturing on November 1, 20__ shall subject to mandatory sinking fund prepayment in part, by lot (in such manner as the Trustee deems appropriate), commencing on November 1, 20__ in each of the years and amounts set forth below:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
_____	\$ _____	_____	\$ _____

SECTION 202. EXECUTION AND DELIVERY OF THE SERIES 2021A CERTIFICATES. The Series 2021A Certificates shall be executed and delivered upon delivery to the Trustee of the documents referred to in Section 2.17 of the Master Trust Indenture and the payment of the purchase price therefore.

SECTION 203. SECURITY FOR THE SERIES 2021A CERTIFICATES. The Series 2021A Certificates shall be secured in the manner provided in the Master Trust Indenture.

SECTION 204. SERIES 2021A PROJECT. Upon delivery of the Series 2021A Certificates, the lease-purchase financing of the Series 2021A Project shall be effectuated as provided in the Master Trust Indenture and the Series 2021A Lease.

SECTION 205. ADDITIONAL COVENANTS AND AGREEMENTS OF THE CORPORATION REGARDING THE SERIES 2021A PROJECT. In addition to the creation of the Trust Estate pursuant to the Master Trust Indenture for the Series 2021A Certificates, the Corporation and the Trustee, as a material inducement to the Trustee to issue the Series 2021A Certificates pursuant to this Series 2021A Supplemental Trust Indenture and the Master Trust Indenture, the Corporation hereby grants, devises, gives, and assigns to the Trustee, in its capacity as Trustee, an irrevocable power of attorney coupled with an interest in the rent, revenues, and profits of the Series 2021A Project, and hereby further designates and appoints Trustee as agent in fact for the Corporation, with the full power to act on behalf of the Corporation, without joinder of the Corporation, in any proceedings with respect to the Series 2021A Project, for the purpose of enforcing the Series 2021A Lease, and following a termination of the Series 2021A Lease other than by reason of the payment in full of all Rent Payments due thereunder, the power and authority to re-let the Series 2021A Project on behalf of and in the name of the Corporation. This grant of power to the Trustee shall be as described in the Series 2021A Assignment, and shall be subject to any reservations of rights by the Corporation set forth therein.

The Corporation hereby covenants, warrants and agrees that it will not entertain, participate in, support or advance any defense in any action, undertaking, or proceeding challenging the powers granted to the Trustee under this Section 205, or the authority of the Trustee to exercise such powers, or the validity or lawfulness of the Trustee's powers or authority under this Section 205, if such defense seeks or serves to undermine the powers and authority of the Trustee under this Section 205.

Without qualification, the Corporation and its successors, hereby further covenant, agree, and warrant that it will execute any instrument confirming or reconfirming the powers and authority of Trustee under this Section 205 upon three (3) days notice and demand to do so by the Trustee, or otherwise obtain, provide, and execute such instrument or take any action as may be required to confirm or ratify the powers and authority of Trustee hereunder.

SECTION 206. BOOK-ENTRY ONLY SYSTEM. The Series 2021A Certificates shall initially be registered in the name of Cede & Co. as nominee for DTC, which will act initially as securities depository for the Series 2021A Certificates and so long as the Series 2021A Certificates are held in book-entry-only form, Cede & Co. shall be considered the Certificate Owner for all purposes hereof. On original issue, the Series 2021A Certificates shall be deposited with DTC, which shall be responsible for maintaining a book-entry-only system for recording the ownership interest of its participants ("DTC Participants") and other institutions that clear through or maintain a custodial relationship with DTC Participants, either directly or indirectly ("Indirect Participants"). The DTC Participants and Indirect Participants will be responsible for maintaining records with respect to the beneficial ownership interests of individual purchasers of the Series 2021A Certificates ("Beneficial Owners").

The principal and interest portions of Basic Rent Payments represented by the Series 2021A Certificates prior to and at maturity shall be payable directly to Cede & Co. in care of DTC. Disbursal of such amounts to DTC Participants shall be the responsibility of DTC. Payments by DTC Participants to Indirect Participants, and by DTC Participants and Indirect Participants to Beneficial Owners shall be the responsibility of DTC Participants and Indirect Participants and not of DTC, the Trustee, the Corporation or the Department.

The Series 2021A Certificates shall initially be issued in the form of one fully registered Series 2021A Certificate for each maturity and shall be held in such form until maturity. Individuals may purchase beneficial interests in the amount of \$1,000 or integral multiples thereof in book-entry-only form, without certificated Series 2021A Certificates, through DTC participants and Indirect Participants.

DURING THE PERIOD FOR WHICH CEDE & CO. IS CERTIFICATE OWNER OF THE SERIES 2021A CERTIFICATES, ANY NOTICE TO BE PROVIDED TO ANY CERTIFICATE OWNER WILL BE PROVIDED TO CEDE & CO. DTC SHALL BE RESPONSIBLE FOR NOTICE TO DTC PARTICIPANTS AND DTC PARTICIPANTS SHALL BE RESPONSIBLE FOR NOTICE TO INDIRECT PARTICIPANTS, AND DTC PARTICIPANTS AND INDIRECT PARTICIPANTS SHALL BE RESPONSIBLE FOR NOTICE TO BENEFICIAL OWNERS.

The Department, the Corporation and the Trustee shall enter into a letter of representations with DTC providing for such book-entry-only system. Such agreement may be terminated at any time by either DTC or the Department. In the event of such termination, the Department shall select another securities Depository. If the Department does not replace DTC, the Trustee will register and deliver to the Beneficial Owners replacement Series 2021A Certificates in the form of fully registered Series 2021A Certificates in denominations of \$1,000 or integral multiples hereof, in accordance with instructions from Cede & Co.

ARTICLE III
ESTABLISHMENT OF ACCOUNTS;
APPLICATION OF SERIES 2021A CERTIFICATE PROCEEDS

SECTION 301. ESTABLISHMENT OF ACCOUNTS. There are hereby established the following accounts and subaccounts for the Series 2021A Certificates: the Series 2021A Acquisition Account within the Project Fund (the “Series 2021A Acquisition Account”); the Series 2021A Cost of Issuance Account within the Project Fund (the “Series 2021A Cost of Issuance Account”); the Series 2021A Capitalized Interest Account within the Project Fund (the “Series 2021A Capitalized Interest Account”); the Series 2021A Earnings Account within the Project Fund (the “Series 2021A Earnings Account”); the Series 2021A Rent Payment Account within the Rent Payment Fund (the “Series 2021A Rent Payment Account”); the Series 2021A Reserve Account within the Reserve Fund (the “Series 2021A Reserve Account”); a Series 2021A Prepayment Account within each of the Optional Prepayment Fund, the Extraordinary Prepayment Fund, and the Special Prepayment Fund (each a “Series 2021A Prepayment Account”); and the Series 2021A Rebate Subaccount within the Rebate Account (the “Series 2021A Rebate Subaccount”). The moneys on deposit in the accounts and subaccounts described herein shall be disbursed by the Trustee in the manner and for the purposes described in the Master Trust Indenture.

SECTION 302. APPLICATION OF PROCEEDS OF SERIES 2021A CERTIFICATES. Net proceeds of the sale of the Series 2021A Certificates in the amount of \$_____ (consisting of Certificate proceeds of \$_____ [plus] [minus] an original issue [premium] [discount] of \$_____ and minus the Underwriters’ discount of \$_____ and plus \$_____ accrued interest) shall be deposited as follows:

- (a) \$_____ to the 2021A Acquisition Account;
- (b) \$_____ to the 2021A Cost of Issuance Account;
- (c) \$_____ to the 2021A Capitalized Interest Account; and
- (d) \$_____ to the 2021A Rent Payment Account.

The Trustee shall also receive from the Department (rather than directly from the purchaser as reflected above), the good faith deposit of the Underwriter (which is included in net proceeds above), plus interest earnings thereon in the amount of \$_____ which shall be a credit against the amount reflected in clause (a) above and shall be deposited into the Series 2021A Acquisition Account, and \$_____ of which (representing investment earnings on such good faith deposit) shall be deposited into the Series 2021A Rent Payment Account.

SECTION 303. APPLICATION OF PROCEEDS IN SERIES 2021A ACQUISITION ACCOUNT. Contemporaneously with the execution and delivery of this Series 2021A Supplemental Trust Indenture, the Department and FDOC have entered into the FDOC Sublease.

Pursuant to Section 3.1 of the FDOC Sublease, FDOC assumes full responsibility for the design, construction, equipping and operation of the Series 2021A Project. In accordance therewith, the Department hereby directs the Trustee to accept Requisitions for distribution of funds held in the Series 2021A Acquisition Account signed by an Authorized Representative of FDOC rather than an Authorized Representative of the Department.

**ARTICLE IV
MISCELLANEOUS PROVISIONS RELATING TO THE
SERIES 2021A CERTIFICATES**

SECTION 401. [RESERVED]

SECTION 402. [RESERVED]

SECTION 403. [RESERVED]

SECTION 404. PROVISIONS OF MASTER TRUST INDENTURE NOT OTHERWISE MODIFIED. Except as expressly modified or amended hereby, the Master Trust Indenture shall remain in full force and effect. To the extent of any conflict between the terms of the Master Trust Indenture or Master Lease Agreement and this Series 2021A Supplemental Trust Indenture, the terms of the Master Trust Indenture or the Master Lease, as the case may be, shall control.

The Trustee, by its execution of this Series 2021A Supplemental Trust Indenture hereby consents in writing to the First Amendment to Amended and Restated Master Lease Agreement with Option to Purchase between the Department, as Lessee, and the Corporation, as Lessor.

SECTION 405. COUNTERPARTS. This Series 2021A Supplemental Trust Indenture may be simultaneously executed in several counterparts, each of which together with a counterpart executed by each of the other parties hereto shall constitute a single original and all of which shall constitute but one and the same instrument.

SECTION 406. HEADINGS. Any heading preceding the text of the several Articles hereof, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Series 2021A Supplemental Trust Indenture, nor shall they affect its meaning, construction or effect.

SECTION 407. GOVERNING LAWS. This Series 2021A Supplemental Trust Indenture shall be construed and governed in accordance with the laws of the State of Florida, without regard to Florida law of conflict of laws. Venue shall be in Leon County, Florida.

SECTION 408. [RESERVED]

SECTION 409. NONRECOURSE OBLIGATION OF LESSOR. Notwithstanding anything to the contrary herein or in any exhibit, instrument, document or paper relating hereto or any of the transactions contemplated hereby, the obligations, liabilities and responsibilities of the Lessor for any damages, expenses, fees, charges or claims with respect to the failure of any obligations hereunder to be performed by the Lessor shall be payable solely out of the proceeds derived by the Lessor from the Series 2021A Project (excluding any indemnities, reimbursement, service fees or other Lease Payments, Additional Lease Payments or Supplemental Payments) and the Lessor shall have no other or further liability hereunder or arising herefrom.

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IN WITNESS WHEREOF, the Lessor and the Trustee have caused this this Series 2021A Supplemental Trust Indenture to be executed in their names by their Authorized Representatives and duly authorized officers on the date set forth below by their respective signatures and all of the day and year first written above.

Dated _____ 2021.

FLORIDA CORRECTIONAL FINANCE
CORPORATION, as Lessor

By: _____
J. Ben Watkins, III, President

Attest:

By: _____
[Name], Secretary

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
[Name], [Title]

Accepted:

STATE OF FLORIDA, DEPARTMENT OF
MANAGEMENT SERVICES, as Lessee

By: _____
[Name], Secretary

Exhibit C
Form of Series 2021A Assignment

[FORM OF]

This instrument prepared by and return to
Division of Bond Finance of the
State Board of Administration of Florida
1801 Hermitage Boulevard, Suite 200
Tallahassee, Florida 32308

SERIES 2021A ASSIGNMENT OF LEASES, RENTS, AND PROFITS

By

FLORIDA CORRECTIONAL FINANCE CORPORATION, as Lessor

in favor of

U.S. BANK NATIONAL ASSOCIATION, as Trustee

and acknowledged and consented to by

STATE OF FLORIDA DEPARTMENT OF MANAGEMENT SERVICES

Dated _____, 2021

Relating to the

\$ _____ CERTIFICATES OF PARTICIPATION, SERIES 2021A

SERIES 2021A ASSIGNMENT OF LEASES, RENTS, AND PROFITS

THIS **SERIES 2021A ASSIGNMENT OF LEASES, RENTS, AND PROFITS**, dated _____, 2021 (the “Series 2021A Assignment”), by the FLORIDA CORRECTIONAL FINANCE CORPORATION, a not-for-profit, special purpose corporation created under the laws of the State of Florida, with a registered office at 1801 Hermitage Boulevard, Suite 200, Tallahassee, Florida 32308 (the “Corporation”), as Lessor (the “Assignor”), in favor of U.S. BANK NATIONAL ASSOCIATION, a national banking association with corporate trust powers qualified to accept trusts of the type set forth in the Master Trust Indenture, with a designated corporate trust office in Jacksonville, Florida (the “Trustee”), not in its individual capacity but solely in its capacity as Trustee under the Master Trust Indenture, (the “Assignee”).

RECITALS

WHEREAS, pursuant to Ch. 93-406, Laws of Florida, the Correctional Privatization Commission (the “Commission”) was created for the purpose of entering into contracts for the designing, financing, leasing, acquiring, constructing and operating of Private Correctional Facilities; and

WHEREAS, pursuant to the Act, as then in effect, and the laws of the State, the Commission, as Lessee, previously entered into a Master Lease Purchase Agreement with Option to Purchase with the Corporation, as Lessor, dated November 1, 2001 (the “Original Lease Purchase Agreement”) relating to the acquisition, construction and equipping of correctional facilities to be located in the State, and has acknowledged and accepted the Master Trust Indenture, between the Corporation, as Lessor, and the Trustee dated November 1, 2001 (the “Original Trust Indenture”); and

WHEREAS, as of July 1, 2004, the Commission was abolished and the State of Florida Department of Management Services (the “Department”) succeeded to all of the rights, benefits, and obligations of the Commission, including all contracts previously entered into by the Commission, including the Original Lease Purchase Agreement and all Schedules thereto and the Original Trust Indenture and all Supplemental Trust Indentures thereto; and

WHEREAS, the Corporation has executed and delivered to the Trustee an Amended and Restated Master Trust Indenture dated February 1, 2009, amending and restating the Original Trust Indenture (the “Master Trust Indenture”), as accepted by the Department; and

WHEREAS, the Corporation and the Trustee have executed and delivered the Series 2021A Supplemental Trust Indenture dated _____, 2021 (the “Series 2021A Supplemental Trust Indenture”) (collectively, with the Master Trust Indenture, the “Series 2021A Trust Indenture”), pursuant to which the tax-exempt \$ _____ State of Florida, Department of Management Services, Certificates of Participation, Series 2021A, Evidencing Fractional Undivided Interest of the Owners thereof in Basic Rent Payments to be Made by the State of Florida Department of Management Services, as Lessee, under an Amended and Restated Master Lease Agreement with Option to Purchase with Florida Correctional Finance Corporation, as Lessor (the “Series 2021A Certificates”), are to be issued; and

WHEREAS, the Department intends to construct and equip a secure inpatient mental health treatment facility located on the real property identified on Exhibit A, Part I hereto (the “the Series 2021A Land”) as part of the “Series 2021A Project” with the proceeds of the Series 2021A Certificates; and

WHEREAS, the Department and the Corporation are causing to be issued under the Series 2021A Trust Indenture the Series 2021A Certificates to pay the costs of design, construction, and equipping of the Series 2021A Project; and

WHEREAS, the Corporation, as Lessor, has entered into an Amended and Restated Master Lease Agreement with Option to Purchase with the Department, as lessee, dated February 1, 2009, which amended and restated, in its entirety, Original Lease Purchase Agreement (the “Maser Lease Agreement Agreement”), as supplemented by Schedule No. 2021A (collectively, with the Master Lease Agreement, the “Series 2021A Lease”), pursuant to which the Department will lease the Series 2021A Project; and

WHEREAS, the Trustee, and as a condition to making the disbursements described in the Master Trust Indenture, has required the execution of this Series 2021A Assignment and by making such disbursements, evidences its consent to this Series 2021A Assignment to the same extent as if the Trustee, as Assignee, executed this Series 2021A Assignment.

NOW, THEREFORE, in consideration of the premises, and in further consideration of the sum of TEN DOLLARS (\$10) paid by the Trustee, as Assignee, to the Corporation, as Assignor, the receipt of which is hereby acknowledged, the Corporation, as Assignor, does hereby agree as follows:

1. Assignment of Collateral:

(a) The Assignor does hereby absolutely and irrevocably grant, transfer, assign and deliver to Assignee, without recourse, all of the Assignor’s right, title and interest in and to the following (the “Collateral”):

(i) all rights and benefits of every nature derived, or to be derived, by the Assignor under and by virtue of the Assignor’s interest, whether now owned or hereinafter acquired, in the Series 2021A Lease (including, but not limited to, all rights to receive payments thereunder, but specifically excluding the right to receive indemnification pursuant to the Series 2021A Lease, the right to enter into amendments to the Series 2021A Lease, and its obligations with respect to the tax covenants set forth in Section 4.5 of the Master Lease Agreement), all other leases, subleases, licenses, concessions, and tenancies involving the Series 2021A Project on the Series 2021A Land, including in the event of default or non-appropriation under the Series 2021A Lease, the power and authority to re-let the Series 2021A Project on behalf of and in the name of the Assignor (regardless of whether executed and delivered before or during the term of the Series 2021A Lease or subsequent to a termination of the Series 2021A Lease other than as a result of the full payment of all Rent due thereunder), and all other agreements for the purchase, use, occupancy, or possession of all or any part of the Series 2021A Project, including without limitation the Master Lease Agreement, together with any and all security deposits, down payments, escrow account deposits, and the like, made thereunder, all extensions, amendments, modifications, renewals, and replacements, of any thereof, and any guarantees of the lessees’, sublessees’, licensees’, concessionaires’, tenants’, occupants’, users’ or purchasers’ (collectively, the “Lessees”) obligations under any of said leases, subleases, licenses, concessions, tenancies, and other agreements for purchase, use, occupancy, or possession of the Series 2021A Project, now existing and hereafter executed, together with all such extensions, amendments, modifications, renewals, replacements, and guaranties, (each individually a “Lease” and collectively, the “Leases”); provided, however, that none of the Assignor’s right, title and interest in and to the real property described in Exhibit A Part I hereto or in and to any Series 2021A Equipment as identified in the Series 2021A Lease, shall be granted, transferred, assigned or delivered to the Assignee, and such right, title, interest of the Assignor shall be excluded from the terms of this Series 2021A Assignment and shall not in any way be considered part of the term “Collateral”;

(ii) all of rents, income, revenues, royalties, issues, profits, proceeds, insurance proceeds, condemnation awards now or hereafter accruing or owing from the Leases, or the Agreements, as hereinafter defined, or otherwise derived from the Series 2021A Project including, without limitation, all amounts payable by any party thereto on account of maintenance, repairs, taxes, insurance and common area or other charges and all amounts paid in cancellation of Leases or Agreements (collectively, the “Rentals”);

(iii) all agreements, building permits, surveys, architectural plans and specifications, governmental approvals, licenses, agreements with utilities companies, water and sewer capacity reservation agreements, and all other consents, approvals, and agreements which the Assignor may now or hereafter own with respect to or in connection with the Series 2021A Project and/or any improvements now or hereafter constructed thereon;

(iv) all warranties and guaranties covering any appliances and fixtures now or hereafter located on or placed upon the Series 2021A Land as part of the Series 2021A Project;

(v) all plans and specifications, including all site plans and development, landscaping, and engineering plans for the Series 2021A Project now or hereafter existing, which pertain or relate in any manner to the Series 2021A Project;

(vi) all building and other permits, bonds, construction contracts, including any agreement with the project architect or engineer, utilities agreements and rights, governmental applications and proceedings, feasibility studies, maintenance and service contracts, goodwill, marketing agreements, development agreements, fictitious names and tradenames, warranties and guarantees, occupancy permits and licenses, insurance policies, personal property and leases therefor, easements or rights-of-way agreements, now or hereafter existing, which pertain or relate in any manner to the Series 2021A Project or any portion thereof or to the ownership or operation thereof; and

(vii) all proceeds of all of the foregoing described Collateral, including without limitation, proceeds of the conversion, voluntary or involuntary, of any of the foregoing into cash or liquidated claims, proceeds of insurance policies, condemnation awards, or resulting from the sale, hypothecation or transfer of any of the Collateral and all products, renewals, assessments, and additions to any of the Collateral.

(b) All of the foregoing described Collateral is being hereby granted, transferred and assigned for the purpose of securing:

(i) Payment of all amounts due under the Series 2021A Supplemental Trust Indenture, including all extensions, modifications, or renewals thereof, and all other sums secured by the other Certificate Documents, as defined therein; and

(ii) Performance and discharge of each and every other obligation, covenant, and agreement of the Assignor contained herein, in the Series 2021A Trust Indenture, and in all the other Certificate Documents.

(c) Notwithstanding the foregoing, the Assignor specifically reserves the right, power and ability to finance, on behalf of the Department, additional facilities, improvements, and betterments to be located on the real property described on Exhibit A Part I hereto (the "Series 2021A Land"), through the issuance of additional certificates of participation under the Master Trust Indenture, and to assign collateral arising from such additional facilities, improvements, and betterments to the Trustee under the Master Trust Indenture for the additional security of the holders of such certificates pursuant to an assignment similar to this Series 2021A Assignment, and the Assignee hereby expressly acknowledges that the Assignee shall have no claims to or rights in the collateral assigned pursuant to such future assignment on the additional facilities, improvements and betterments as a result of this Series 2018A Assignment.

2. To protect the security of this Series 2021A Assignment, the Assignor agrees as follows:

(a) To faithfully abide by, perform and discharge each and every term, condition, obligation, covenant and agreement, which the Assignor is now, or hereafter becomes, liable to observe or perform under the Leases or respecting the other Collateral; to give prompt written notice to the Assignee of any notice of default received by the Assignor with respect to any default of the Assignor under any Lease, or other agreement respecting any of the Collateral (each an "Agreement"), together with an accurate, complete copy of any such notice; to enforce or secure the performance of each and every term, obligation, covenant, condition and agreement to be performed by all Lessees and all other parties under the Leases and Agreements as provided therein; and to provide Assignee with an accurate, complete copy of any notice of default sent by the Assignor with respect to any Lease or Agreement, when so sent by the Assignor.

(b) Notwithstanding Section 10 of the Master Lease Agreement or Section 10.10 of the Master Trust Indenture, at the Assignor's sole cost and expense, but solely from amounts provided to the Assignor for such purpose by the Department, to appear in and defend any dispute, action or proceeding arising under, growing out of, or in any manner connected with any of the Leases or Agreements or the obligations, duties, or liabilities of the Assignor or any Lessee or any other party respecting the Collateral, and to pay all costs, and expenses of the Assignee, including reasonable attorneys' fees (whether or not litigation is instituted and through all trial, appellate, arbitration, post-judgment, bankruptcy, and administrative proceedings), in connection with any such dispute, action, or proceeding in which the Assignee may appear or with respect to which it may incur costs or expenses, but solely from amounts provided to the Assignor for such purpose by the Department.

(c) Should the Assignor fail to make any payment or to do any act as provided herein and under Florida law, then the Assignee may, but without obligation to do so, without notice or demand to or upon the Assignor, and without releasing the Assignor from any obligation hereof, make or do the same in such manner and to such extent as the Assignee may deem necessary to protect the security hereof, including specifically, without limiting its general powers, appearing in and defending any action or proceeding relating hereto or to the Leases or Agreements, or purporting to affect the security hereof or the rights or powers of the Assignee hereunder, and also performing and discharging each and every obligation, covenant, and agreement of the Assignor contained in the Leases and Agreements; and in exercising any such powers Assignee may pay necessary costs and expenses, employ counsel, and incur and pay reasonable attorneys' and paralegals' fees. The Assignor hereby grants to the Assignee an irrevocable power of attorney coupled with an interest in the Collateral and with full power of substitution to perform all of the acts and things provided for in this Paragraph 2(c) and in Paragraph 4(b) hereof, as the Assignor's agent and in the Assignor's name.

(d) To pay immediately upon demand, but solely from amounts provided to the Assignor for such purpose by the Department, all sums expended by the Assignee under the authority hereof, together with interest thereon at the rate set forth in the Series 2018A Trust Indenture applicable to a period when default exists thereunder and the same shall be secured hereby.

(e) Until the indebtedness and all obligations relating to the Series 2018A Refunding Certificates and secured hereby shall have been paid and satisfied in full, the Assignor covenants and agrees to provide the Assignee with executed copies of all Leases and Agreements, to assign to the Assignee any and all subsequent Leases and Agreements covering all or any part of Series 2018A Project and to make, execute and deliver to the Assignee, upon demand, any and all instruments that may be necessary or desirable therefor. The terms and conditions of this Series 2018A Assignment shall, however, apply to any such subsequent Leases and Agreements, whether or not such instruments are executed or delivered by the Assignor.

(f) Not to enter into any Lease or Agreement or to modify, amend, extend, renew, or in any way alter the terms of any Lease or Agreement; not to waive, excuse, condone, or in any manner release or discharge the Lessees or any party thereunder, of or from any obligation, covenant, condition, or agreement by said Lessees to be performed thereunder, including the obligation to pay the Rentals and all other sums called for thereunder in the manner and at the places and times specified therein; and not to terminate the term thereof.

(g) Unless the Assignee shall specifically agree in writing to the contrary, the rights of each Lessee under each Lease of the Series 2021A Project, or any part thereof, other than the rights of the Department under the Series 2021A Lease, shall be inferior and subordinate to the lien hereof, and upon the enforcement by the Assignee of the remedies provided for by law, the Series 2021A Trust Indenture or this Series 2018A Assignment, the Lessee thereunder will, upon demand of any person succeeding to the interest of the Assignee as a result of such enforcement vacate and surrender the property demised under the Lease.

(h) In the event of conflict between the provisions of this Series 2021A Assignment and the Series 2021A Trust Indenture or the Series 2021A Lease, the provisions of the Series 2021A Trust Indenture or the Series 2021A Lease, as the case may be, shall control.

3. The Assignor hereby covenants, represents and warrants to the Assignee that:

(a) The Assignor has not executed any prior assignment of its right, title and interest in the Agreements, Leases, or the Rentals, or any of the other Collateral, or otherwise encumbered the same except to the Assignee, and no Lease of the Series 2021A Project exists except the Series 2021A Lease.

(b) The Assignor has not performed any act or executed any instrument and is not bound by any law, indenture or agreement which might prevent the Assignee from operating under any of the terms and conditions hereof, or which would limit the Assignee in such operation.

(c) The Assignor will not execute or agree to any assignment of any of the Leases, Agreements, Rentals, or any other Collateral subsequent to the date hereof.

(d) All Leases and Agreements existing on the date hereof are in full force and effect; and there is no default now existing under said Leases and Agreements, nor has any event occurred which, with the passage of time, would constitute a default thereunder.

(e) That Assignor is and shall be the sole owner of the lessor's entire interest in the Leases with respect to the Series 2021A Project and all other Collateral hereby assigned, the Assignor has full possessory right to the Series 2021A Project and to the Collateral and has the full right, power and authority to assign the Collateral, that there has been no previous assignment of the Leases or Agreements or the other Collateral except to Assignee, and, without Assignee's prior written consent, the Assignor will permit no future assignment of any right, title, or interest in the Leases, the Agreements or any of the Collateral, that the Agreements, the Leases and the Lease Purchase Agreement are in full force and effect and are valid and enforceable in accordance with their terms against the Assignor and have not been altered, modified, or amended in any manner whatsoever except as set forth herein, and that the Assignor has not committed or permitted any act or event to occur that would prevent Assignee from or limit the Assignee in operating under any of the provisions of this Series 2021A Assignment.

(f) The Assignor hereby indemnifies the Assignee, its successors and assigns, against, and agrees to protect, save and keep harmless each thereof from, any and all liabilities, obligations, charges, losses, damages, penalties, claims, actions, suits, costs, expenses, and disbursements, including without limitation, court costs, legal fees and expenses through all trial, appellate, and administrative levels and all bankruptcy and post-judgment proceedings (collectively, the "Expenses"), but solely from amounts provided to the Assignor for such purpose by the Department, of every kind and nature, imposed on, incurred by or asserted against any such indemnified party, in any way relating to, arising out of, or in connection with any of the foregoing representations, warranties and covenants of the Assignor.

(g) The Assignor will not entertain, participate in, support or advance any defense in any action, undertaking, or proceeding challenging the Assignee's powers granted to the Assignee under this Series 2021A

Assignment, or the authority of the Assignee to exercise such powers, or the validity or lawfulness of the Assignee's powers or authority under this Series 2021A Assignment, if such defense seeks or serves to undermine the powers and authority of the Assignee under this Series 2021A Assignment.

(h) Without qualification, the Assignor and its successors, will re-execute this Series 2021A Assignment, reappoint Assignee or otherwise execute any instrument confirming, or reconfirming the powers and authority of Assignee under this Series 2021A Assignment upon three (3) days' notice and demand to do so by the Assignee, or otherwise obtain, provide, and execute or take any action deemed necessary by the parties to confirm or ratify the powers and authority of Assignee hereunder.

4. It is mutually agreed that:

(a) The fundamental purpose of the Assignor and Assignee executing and delivering this Series 2021A Assignment is to induce the Assignee to execute and deliver the Series 2021A Supplemental Trust Indenture and to issue the Series 2021A Certificates under the Series 2021A Trust Indenture.

(b) The Assignor, as Lessor under the Series 2021A Lease, has irrevocably authorized and directed the Department, as Lessee under the Series 2021A Lease to make all payments of rent and other sums required to be paid pursuant to the Series 2021A Lease, directly to Assignee. Any amounts inappropriately paid under the Master Lease Agreement to the Assignor shall be held by the Assignor in trust for Assignee and shall immediately be paid over to Assignee by the Assignor. In the event of a termination of the Series 2021A Lease prior to the date that all amounts due under or in connection with the Series 2021A Certificates have been paid in full, the Assignor shall execute whatever documents, directions or agreements as may be necessary to ensure that the lessee under any other Lease of the Series 2021A Project shall make all payments of rent directly to the Assignee.

(c) Upon or at any time after a failure to perform any obligation, covenant or agreement herein contained or contained in the Series 2021A Trust Indenture or contained in any of the other Certificate Documents or upon the occurrence of any event of default thereunder (any of which failures or events being hereinafter referred to as an "Event of Default"), the Assignee may, at its option, without regard for the adequacy of the security for the indebtedness secured hereby, with or without bringing any action or proceeding, or by a receiver or trustee to be appointed by a court, exercise any and all rights and remedies available to it under this Series 2021A Assignment, the Series 2021A Trust Indenture or any Certificate Document, in the Leases and in the Collateral and Assignee may, following the delivery of notice by the Department of the purchase option described in Section 17.2 of the Master Lease Agreement and the failure of the Department to purchase the Series 2021A Project in accordance with the terms thereof, proceed to exercise all remedies set forth in the Trust Indenture as remedies hereunder as if such remedies were fully rewritten herein.

(d) The Assignee shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability under any Leases or the Agreements or respecting any other Collateral under or by reason of this Series 2021A Assignment, and the Assignor shall and does hereby agree to defend and indemnify the Assignee, but solely from amounts provided to the Assignor for such purpose by the Department, against, and to hold Assignee harmless from any and all liability, loss or damage which Assignee may or might incur under the Leases or respecting any other Collateral or under or by reason of this Series 2021A Assignment or under or by reason of any of the Certificate Documents, and from any and all claims and demands whatsoever which may be asserted against Assignee by reason of any alleged obligation or undertaking on its part to perform or discharge any of the terms, covenants or agreements contained in any Leases, or respecting any of the Collateral. Should the Assignee incur any such liability, loss, or damage under any Leases or respecting any of the Collateral, or under or by reason of this Series 2021A Assignment or under or by reason of any of the Certificate Documents, or in the defense against any such claims or demands, the amount thereof, including costs, expenses, court costs, and reasonable attorneys' fees (through all trial and appellate levels, including post-judgment and administrative proceedings) together with interest thereon at the rate set forth in the Series 2021A Trust Indenture

applicable to a period when default exists thereunder shall be immediately due and payable by the Assignor to Assignee, but solely from amounts provided to the Assignor for such purpose by the Department, and shall be secured hereby, and the Assignor shall reimburse the Assignee therefor, immediately upon demand, but solely from amounts provided to the Assignor for such purpose by the Department.

(e) This Series 2021A Assignment confers upon Assignee a durable power of attorney coupled with an interest in the Collateral as trustee on behalf of the owners of the Series 2018A Refunding Certificates, and cannot be revoked by the Assignor, which power is intended to also qualify as a durable power of attorney as described in and pursuant to Section 709.08, Florida Statutes. Notwithstanding anything in this Series 2021A Assignment to the contrary, however, nothing in this Series 2021A Assignment is intended to create or vest in or transfer to the Assignee any real property rights or interest in the Series 2021A Land, the Series 2021A Project, the Collateral or any other real property interest of the Assignor (the "Affected Property Interests") greater than the ability to enter, use and possess the Affected Property Interests as agent and attorney-in-fact in substitution for the Assignor on behalf of the Series 2018A Certificate Owners, pursuant to the terms of this Series 2018A Assignment, the Series 2018A Trust Indenture, the Series 2018A Lease Purchase Agreement and the other Certificate Documents, which shall include the power to re-let the Series 2021A Project on behalf of the Lessor and the Certificate Owners, and thereby vest a possessory interest in the new tenant. Furthermore, any such power shall be subordinate to all interests of the Assignor and the Department under the Series 2021A Lease in the Affected Property Interests for any period during which the Basic Rent Payments with respect to the Series 2021A Project are paid in full. Upon the first to occur of the final maturity date of the Series 2021A Certificates with the longest maturity, or the payment in full of all indebtedness secured hereby, this Series 2021A Assignment shall become and be void and of no effect and Assignee shall, upon request of the Assignor, tender to the Assignor an instrument evidencing cancellation of this Series 2021A Assignment, in recordable form.

(f) All rights, powers and remedies provided herein may be exercised only to the extent that the exercise thereof does not violate any applicable law, and are intended to be limited to the extent necessary so that they will not render this Series 2021A Assignment invalid, unenforceable or not entitled to be recorded, registered, or filed under any applicable law. If any term of this Series 2018A Assignment shall be held to be invalid, illegal, or unenforceable, the validity of the other terms hereof shall be in no way affected thereby. The Assignee shall be entitled to all rights and remedies available at law, in equity or under any statute, either now available or available at the time of exercise thereof, even though such rights and remedies were not available on the date first above written.

(g) The covenants and agreements herein contained shall be binding upon the Assignor, its heirs, legal representatives, successors and assigns and shall inure to the benefit of the Assignee, its heirs, legal representatives, successors and assigns; provided, however, that nothing in this section is intended to be or shall be construed as a waiver of the rights of the Assignee under the Certificate Documents or to permit an assignment of the rights and obligations of the Assignor under this instrument and any such assignment is expressly prohibited except upon the prior written consent of Assignee which consent may be arbitrarily withheld.

(h) This Series 2021A Assignment is given as security in addition to the security of the other Certificate Documents, and not as part of the security of the other Certificate Documents. All rights and remedies herein conferred may be exercised whether or not proceedings are pending under the other Certificate Documents. The Assignee shall not be required to resort first to the security of this Series 2021A Assignment or of the other Certificate Documents before resorting to the security of any other of such security documents, and the Assignee may exercise the security hereof and of any of the other Certificate Documents concurrently or independently and in any order of preference.

(i) Nothing herein contained shall be construed as making the Assignee a mortgagee in possession, nor shall said Assignee be liable for laches for failure to exercise any rights or remedies available to it pursuant to

this Series 2021A Assignment, and it is understood that the Assignee is to account only for such sums as are actually collected by Assignee.

(j) It is understood and agreed that the existence of this Series 2021A Assignment shall not be construed as a waiver by the Assignee or its successors and assigns of the right to enforce payment of the indebtedness hereinabove referred to, in strict accordance with the terms and provisions of the Master Trust Indenture and the other Certificate Documents for which this Series 2021A Assignment is given as additional security.

(k) All notices, demands or documents which are required or permitted to be given or served hereunder shall be in writing, and shall be deemed given or served upon the Assignor or Assignee when given as provided herein or as provided for in the Series 2021A Trust Indenture. Each party hereto may change its address from time to time by serving written notice thereof upon the other party hereto as above provided at least ten (10) days prior to the effective date of such change of address.

(l) This Series 2021A Assignment, and the interpretation and enforcement thereof, shall be governed by the laws of the State of Florida, except where specifically preempted by federal law, and venue shall be in Leon County, Florida.

[Remainder of page left intentionally blank]

IN WITNESS WHEREOF, the Assignor has caused this this Series 2021A Assignment to be executed in its name by its Authorized Representatives by their respective signatures as of the day and year first written above.

FLORIDA CORRECTIONAL FINANCE
CORPORATION, as Assignor

By: _____
J. Ben Watkins, III, President

Attest:

By: _____
[Name], Secretary

Witnesses:

Name: _____

Name: _____

STATE OF FLORIDA)
COUNTY OF LEON)

The foregoing SERIES 2021A ASSIGNMENT OF LEASES, RENTS, AND PROFITS was executed and acknowledged before me by means of ☐ physical presence or ☐ online notarization, this _____ day of _____, 2021, by J. Ben Watkins, III, as President of the FLORIDA CORRECTIONAL FINANCE CORPORATION, a Florida not for profit corporation, who executed the within ASSIGNMENT OF LEASES, RENTS AND PROFITS and acknowledged to me that he did such on behalf of the Corporation. He is personally known to me or has produced _____ as identification.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year in this Series 2021A Assignment first above written.

(Stamp)

(Signature of Notary)
Notary public in and for the State of Florida
My commission expires _____, 20__

Acknowledged and Consented:

STATE OF FLORIDA, DEPARTMENT OF
MANAGEMENT SERVICES, as Lessee

(S E A L)

By: _____
[Name], Secretary

Witnesses:

Name: _____

Name: _____

STATE OF FLORIDA)
COUNTY OF LEON)

The foregoing SERIES 2021A ASSIGNMENT OF LEASES, RENTS, AND PROFITS was executed and acknowledged before me by means of ☐ physical presence or ☐ online notarization, this _____ day of _____, 2021, by _____ as Secretary of the STATE OF FLORIDA, DEPARTMENT OF MANAGEMENT SERVICES who executed the within ASSIGNMENT OF LEASES, RENTS AND PROFITS and acknowledged to me that [s]he did such on behalf of the Department. He is personally known to me or has produced _____ as identification.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year in this Series 2021A Assignment first above written.

(Stamp)

(Signature of Notary)
Notary public in and for the State of Florida
My commission expires _____, 20____

EXHIBIT A

SERIES 2021A LAND

**Description of Land
PART I**

LEGAL DESCRIPTION OF THE SERIES 2021A LAND

The Lake Correctional Institution Inpatient Mental Health Unit (the “Series 2021A Project”) is located on the Series 2021A Land, being a portion of the Northeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 36, Township 21 South, Range 25 East of the Tallahassee Meridian, situated in Lake County, Florida, consisting of 40 acres, more or less.

[Insert map showing legal description and sketch of the LCI Mental Health Unit]

EXHIBIT A

SERIES 2021A PROJECT

Description of Project PART II

DESCRIPTION OF ADDITIONAL COLLATERAL

The following, to the extent acquired with proceeds of the \$_____ State of Florida, Department of Management Services, Certificates of Participation, Series 2021A, Evidencing Fractional Undivided Interest of the Owners thereof in Basic Rent Payments to be Made by the State of Florida Department of Management Services, as Lessee, under an Amended and Restated Master Lease Agreement with Option to Purchase with Florida Correctional Finance Corporation, as Lessor (the "Series 2021A Certificates), whether now owned or hereafter acquired:

All buildings, structures and other improvements constituting a part of the Series 2021A Project, exclusive of any Series 2021A Equipment, now or hereafter located, above or below, the surface of the real property described on Exhibit A Part I (the "Series 2021A Land"), or any part or parcels thereof.

All machinery, apparatus, equipment, fittings, fixtures, including, but without limiting the generality of the foregoing, all after acquired property, all heating, air conditioning, freezing, lighting, laundry, incinerating and power equipment; engines; pipes; pumps; tanks; motors; conduits; switchboards; plumbing, lifting, cleaning, fire prevention, fire extinguishing, refrigerating, ventilating, and communication apparatus; boilers, ranges, furnaces, oil burners, or units thereof; appliances; air-cooling and air conditioning apparatus; vacuum cleaning systems; elevators; escalators; shades; awnings; screens; storm doors and windows; stoves; wall beds; built-in refrigerators; attached cabinets; partitions; ducts and compressors; rugs and carpets; draperies; together with all building materials and equipment now or hereafter delivered to the Series 2021A Land and intended to be installed therein, including but not limited to lumber, plaster, cement, shingles, roofing, plumbing fixtures, pipe, lath, wallboard, cabinets, nails, sinks, toilets, furnaces, heaters, brick, tile, water heaters, screens, window frames, glass, doors, flooring, paint, and lighting fixtures; together with all replacements thereof located on the Series 2021A Land.

All of the water, sanitary and storm sewer systems which are now or hereafter located by, over, and upon the Series 2021A Land or any part and parcel thereof, and which water system includes all water mains, service laterals, hydrants, valves, and appurtenances, and which sewer system includes all sanitary sewer lines, including mains, laterals, manholes, and appurtenances.

All paving for streets, roads, walkways or entrance ways which are now or hereafter located on the Series 2021A Land or any part or parcel thereof.

All interest of the Corporation, as Lessor, in and to all leases or rental arrangements of the Series 2021A Land, or any part thereof, heretofore made and entered into, and in and to all leases or rental arrangements hereafter made and entered into, together with any and all guarantees of such leases or rental arrangements and including all present and future security deposits and advance rentals.

All machinery, furniture, equipment and other tangible personal property of every kind and description acquired directly or indirectly with proceeds of the Certificates exclusive of the Series 2021A Equipment.

Any and all awards or payments, including interest thereon, and the right to receive the same, as a result of the exercise of the right of eminent domain, the alteration of the grade of any street, or any other injury to, taking of, or decrease in the value of all improvements on the Series 2021A Land and other collateral in this Exhibit A.

All unearned premiums accrued, accruing or to accrue under any and all insurance policies now or hereafter provided pursuant to the terms of security agreements, and all proceeds or sums payable for the loss of or damage to any improvements to the Series 2021A Land, or the collateral described herein; or rents, revenues, income, profits or proceeds from leases, franchises, concessions or licenses of or on any part of the improvements to the Series 2021A Land.

All contracts and contract rights arising from contracts entered into in connection with development, construction upon, or operation of part or all of any or all improvements on the Series 2021A Land, including contract deposits, and all proceeds thereof.

All architectural and engineering plans and specifications, surveys, site plans, appraisals, feasibility studies and development proposals and other general intangibles now or hereafter existing pertaining to the construction of improvements to the Series 2021A Land.

All rights under payment, performance, and other types of bonds relating to the ownership, development, construction or operation of the Series 2021A Land or any improvements thereto and all rights under governmental and nongovernmental permits, licenses and agreements relating to the ownership, development, construction or operation of the Series 2021A Land or improvements thereto.

All substitutions for, amendments to or modifications, extensions or renewals of any property described herein and all proceeds thereof, in whatever form.

Exhibit D
Form of Preliminary Offering Statement

PRELIMINARY OFFERING STATEMENT DATED _____, 2021.

This document is "deemed final" by the Issuer as of its date for purposes of, and except for certain omissions permitted by, SEC Rule 15c2-12(b)(1).

New Money Issue - Book- Entry Only

This Offering Statement has been prepared by the Division of Bond Finance to provide information about the 2021A Certificates. Selected information is presented on this cover page for the convenience of the reader. *To make an informed decision, a prospective investor should read this Offering Statement in its entirety.* Unless otherwise indicated, capitalized terms have the meanings given in Appendix C-1.

\$ _____ *

STATE OF FLORIDA

DEPARTMENT OF MANAGEMENT SERVICES

CERTIFICATES OF PARTICIPATION

SERIES 2021A

**Evidencing Fractional Undivided Interests of the Owners thereof in
Basic Rent Payments to be Made by the State of Florida Department of Management Services as Lessee,
Under an Amended and Restated Master Lease Agreement with Option to Purchase with the
Florida Correctional Finance Corporation, as Lessor**

	Dated: Date of Delivery	Due: November 1, as shown on the inside front cover
Bond Ratings	____ (____ outlook) Moody's Investors Service ____ (____ outlook) Moody's Investors Service ____ (____ outlook) S&P Global Ratings	
Tax Status	In the opinion of Special Counsel, assuming compliance with the covenants in the Master Trust Indenture and the Master Lease Agreement, the interest portion of the Basic Rent Payments on the 2021A Certificates is excluded from gross income for federal income tax purposes of the holders thereof and will not be an item of tax preference for purposes of the federal alternative minimum tax, but may be subject to Federal income taxation on payments received with respect to the 2021A Certificates following termination of the 2021A Lease as a result of an Event of Non-Appropriation or an Event of Default. The 2021A Certificates and the income thereon are not subject to taxation under the laws of the State of Florida, except estate taxes and taxes under Chapter 220, Florida Statutes, as amended. See "TAX MATTERS" herein for a description of other tax consequences to owners of the 2021A Certificates.	
Redemption	The 2021A Certificates maturing on and after July 1, 2031 are subject to optional redemption as provided herein. Certain of the 2021A Certificates may be subject to mandatory redemption, contingent upon exercising the Term Bond Option.	
Security	The 2021A Certificates evidence fractional undivided interests of the Owners thereof in certain Basic Rent Payments to be made by the Department, as Lessee, under the 2021A Lease. The 2021A Certificates are secured by and are payable solely from the legally available revenues of the Department annually appropriated by the State Legislature for such purpose. Neither the State of Florida nor any political subdivision or agency thereof shall be obligated to pay any sums except from available revenues appropriated by the State Legislature for such purpose. PAYMENTS ON THE 2021 CERTIFICATES ARE SUBJECT TO ANNUAL APPROPRIATION BY THE STATE LEGISLATURE. The 2021 Certificates do not constitute a general obligation or a pledge of the faith and credit of the Department, FDOC, the Corporation, or the State of Florida, or any political subdivision, agency, or instrumentality thereof. See "SECURITY FOR THE 2021 CERTIFICATES" herein.	
Lien Priority	The lien of the 2021A Certificates on the Basic Rent Payments under the 2021A Lease is a first lien on such revenues. However, although each Series of Certificates is separately secured, the State Legislature must appropriate for all Rent Payments for all Series of Certificates or the Department is required to vacate all projects financed under the Master Lease Agreement. The aggregate principal amount of Certificates expected to be outstanding subsequent to the issuance of the 2021A Certificates is expected to be \$ _____*.	
Additional Certificates	Additional Series of Certificates, except for certain Completion Certificates, are secured independently by the payments under the applicable Lease Schedule and the amount of such Series of Certificates which may be issued is not limited.	
Purpose	Proceeds will be used to finance the 2021 Project, as defined herein, and to pay certain costs of issuance. See "PURPOSE OF THE ISSUE" herein for more complete information.	
Interest Payment Dates	November 1 and May 1, commencing November 1, 2021.	
Record Dates	October 15 and April 15.	
Form/ Denomination	The 2021 Certificates will initially be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Individual purchases will be made in book-entry form only through Direct Participants in denominations of \$1,000 and integral multiples thereof. Purchasers will not receive physical delivery of the 2021 Certificates.	
Closing/ Settlement	It is anticipated that the 2021 Certificates will be available for delivery through the facilities of DTC in New York, New York approximately four weeks from the date bids are received.	
Trustee	U.S. Bank National Association, Jacksonville, Florida.	
Special Counsel	Bryant Miller Olive P.A., Tallahassee, Florida.	
Issuer Contact	Division of Bond Finance of the State Board of Administration of Florida, (850) 488-4782, bond@sbafla.com	
Maturity Structure	The 2021 Certificates will mature on the dates and bear interest at the rates set forth on the inside front cover.	

* Preliminary, subject to change

MATURITY STRUCTURE

<u>Initial CUSIP®</u>	<u>Due Date</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Price or Yield</u>
	November 1, 2021			
	November 1, 2022			
	November 1, 2023			
	November 1, 2024			
	November 1, 2025			
	November 1, 2026			
	November 1, 2027			
	November 1, 2028			
	November 1, 2029			
	November 1, 2030			
	November 1, 2031			
	November 1, 2032			
	November 1, 2033			
	November 1, 2032			
	November 1, 2033			
	November 1, 2034			
	November 1, 2035			
	November 1, 2036			
	November 1, 2037			
	November 1, 2038			
	November 1, 2039			
	November 1, 2040			

* Preliminary, subject to change.

**BIDS FOR THE 2021A CERTIFICATES WILL BE RECEIVED
AS PROVIDED IN THE NOTICE OF CERTIFICATE SALE**

The State of Florida has not authorized any dealer, broker, salesman, or other person to give any information or to make any representations, other than those contained in this Offering Statement, and if given or made, such other information or representations must not be relied on. Certain information herein has been obtained from sources other than records of the State of Florida which are believed to be reliable. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Offering Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the State of Florida since the date hereof. This Offering Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the 2021 Certificates by any person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation, or sale.

STATE OFFICIALS

GOVERNOR
RON DESANTIS

STATE CABINET OFFICERS

ATTORNEY GENERAL
ASHLEY MOODY

CHIEF FINANCIAL OFFICER
JIMMY PATRONIS

COMMISSIONER OF AGRICULTURE
NIKKI FRIED

DEPARTMENT OF MANAGEMENT SERVICES

Secretary

DEPARTMENT OF CORRECTIONS

MARK S. INCH

Secretary

SPECIAL COUNSEL
BRYANT MILLER OLIVE P.A.
Tallahassee, Florida

TRUSTEE, PAYING AGENT, AND REGISTRAR
U.S. BANK NATIONAL ASSOCIATION
Jacksonville, Florida

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OFFERING STATEMENT
Relating to
\$ _____*
STATE OF FLORIDA
DEPARTMENT OF MANAGEMENT SERVICES
CERTIFICATES OF PARTICIPATION
SERIES 2021A

For definitions of capitalized terms not defined in the text hereof, see Appendix C.

INTRODUCTION

This Offering Statement, which includes the cover and appendices hereto, provides information relating to the tax-exempt \$ _____* State of Florida, Department of Management Services, Certificates of Participation, Series 2021A, Evidencing Fractional Undivided Interest of the Owners thereof in Basic Rent Payments to be Made by the State of Florida Department of Management Services, as Lessee, under an Amended and Restated Master Lease Agreement with Option to Purchase with Florida Correctional Finance Corporation, as Lessor, (the “Series 2021A Certificates”) to be issued under and pursuant to the Master Trust Indenture as supplemented by the Series 2021A Supplemental Trust Indenture..

The State of Florida Department of Management Services (the “Department”) operates a program to finance and lease-purchase correctional facilities pursuant to a Master Lease Agreement with the Florida Correctional Finance Corporation (the “Corporation”); the Department leases such facilities from the Corporation. Pursuant to the Department’s financing program, the Corporation has issued various Series of Certificates of Participation representing fractional undivided interests of the Owners thereof in the right to receive Basic Rent Payments payable under the Master Lease Agreement. Such Certificates are issued pursuant to the Master Trust Indenture among the Trustee, the Corporation, and the Department. The aggregate principal amount of Certificates expected to be Outstanding subsequent to the issuance of the Series 2021A Certificates is \$ _____.* See “SECURITY FOR THE SERIES 2021A CERTIFICATES” herein.

The Series 2021A Certificates are being issued to provide funds to finance the costs of the acquisition, construction, and equipping of an 550 bed inpatient mental health treatment facility by the State of Florida Department of Corrections (“FDOC”) at the existing Lake Correctional Institution (the “2021A Project”), and to pay costs associated with the issuance and delivery of the Series 2021A Certificates. The Series 2021A Project will be leased by the Corporation to the Department under the Master Lease Agreement and operated by FDOC pursuant to a Sublease Agreement with the Department. See “PURPOSE OF THE ISSUE” herein.

All Certificates are subject to annual appropriation by the State Legislature. No requirement exists to make such annual appropriation in the future, nor may any Owner legally compel the State Legislature to make such appropriation. Although each Series of Certificates is separately secured, all benefit equally from an “all-or-none” Rent Payment appropriation requirement in the Master Lease Agreement. This means that the State Legislature must budget and appropriate for all such Rent Payments or none of them. A failure to appropriate for any Rent Payments constitutes an Event of Non-Appropriation, which requires the Department to vacate the premises and entitles the Trustee to take possession of and re-let all of the Projects financed under the Master Lease Agreement.

This Offering Statement speaks only as of its date, and the information contained herein is subject to change. Any statements made in this Offering Statement which involve opinions or estimates, whether or not expressly stated, are set forth as such and not as representations of fact. No representation is made that any of the opinions or estimates will be realized. To make an informed decision, a full review should be made of the entire Offering Statement. The descriptions of the 2021A Certificates and the documents authorizing and securing the same do not purport to be comprehensive or definitive. All references to and descriptions of such documents are qualified by reference to the actual documents.

Certain statements contained in this Offering Statement, including the Appendices hereto, reflect not historical facts but forecasts and constitute “forward-looking statements.” No assurance can be given that the future results discussed herein will be achieved, and actual results may differ materially from the forecasts described herein. In this respect, the words “estimate,” “forecast,” “project,” “anticipate,” “expect,” “intend,” “believe,” “budget,” and similar expressions are intended to identify forward-looking statements. All projections, forecasts, assumptions and other forward-looking statements in this Offering Statement are expressly qualified in their entirety by the cautionary statement set forth above. Additionally, estimates are based on information available at the time of the estimates. Such estimates are subject to revision as additional information becomes available. Also, estimates are subject to risks and uncertainties which may cause results to differ materially from those estimates set forth herein. No assurance is given that actual results will not differ materially from the estimates provided herein.

* Preliminary, subject to change.

AUTHORITY FOR THE ISSUANCE OF THE 2021 CERTIFICATES

General Legal Authority

The 2021A Certificates are being issued pursuant to the authority granted by the laws of the State of Florida and resolutions of the Corporation, all as more specifically described herein. The State Legislature has specifically authorized the Department and FDOC to finance the Series 2021A Project through a Schedule to the Master Lease Agreement pursuant to the Chapter 957, Florida Statutes (the “Correctional Privatization Act”), Chapter 944, Florida Statutes (the “Florida Corrections Code”), Chapter 287, Florida Statutes, and Chapter 255, Florida Statutes (collectively, the “Act”), and has appropriated sufficient moneys to make all rent payments to come due under the Master Lease Agreement for Fiscal Year 2020-21.

Correctional Privatization Act

The Correctional Privatization Act, authorizes the use of tax-exempt financing through the issuance of tax-exempt bonds, certificates of participation, lease purchase agreements, and other tax exempt financing methods to finance Private Correctional Facilities authorized by the General Appropriations Act. The Correctional Privatization Act created the Correctional Privatization Commission (the “Commission”), administratively housed within the Department, which established a program to lease-purchase various Private Correctional Facilities pursuant to the Master Lease Agreement the Corporation. See “CERTIFICATE DOCUMENTS – Master Lease Agreement and Series 2021A Lease” herein for a description of the Master Lease Agreement. On July 1, 2004, the Commission was abolished and its responsibilities for contract oversight relating to Private Correctional Facilities were transferred to the Department on July 1, 2004.

Department of Management Services

The State of Florida Department of Management Services (the “Department”) is an agency of the State of Florida created by Section 20.22, Florida Statutes, to provide management and administrative services to the State and its agencies and current and former State employees. The Department operates under the direction of the Governor and a Secretary who is the head of the Department and acts as its administrator. The Department provides services in respect of facilities operation and management, private prison oversight, information systems operation and maintenance, budgeting, procurement, retirement, health insurance, and personnel administration through divisions, bureaus, and subunits in two major services areas: Business Operations, which consists of the Division of State Purchasing, the Division of Real Estate Development and Management, the Division of Telecommunications, the Bureau of Fleet and Federal Surplus Property, and the Bureau of Private Prison Monitoring; and Workforce Operations, which consists of the Division of Human Resource Management, People First, the Division of State Group Insurance, and the Division of Retirement. The Bureau of Private Prison Monitoring manages and oversees the operating contracts for all Private Correctional Facilities within the State and ensures the private vendors that operate such facilities comply with the terms of their contracts. Additionally, the financing of Private Correctional Facilities and State Correctional Institutions financed pursuant to the Master Lease Agreement and the Master Trust Indenture is supervised by the Department through the Bureau of Private Prison Monitoring.

Pursuant to its assumption of responsibilities under the Correctional Privatization Act, the Department has succeeded the Commission as a party to the Certificate Documents and is authorized to enter into contracts, including Schedules to the Master Lease Agreement, to design, construct, finance, and operate Private Correctional Facilities. The Department also has the authority under other applicable provisions of State law, including without limitation, Chapters 255 and 287, Florida Statutes, to enter into lease-purchase contracts with other State agencies, including lease-purchase contracts under and pursuant to the Master Lease Agreement, to lease-purchase finance or refinance State Correctional Institutions. Pursuant to this authority, the Department will enter into the Series 2021A Lease to provide for the acquisition, construction, financing, and operation of the Series 2021A Project, with FDOC as sublessee.

Department of Corrections

The State of Florida Department of Corrections (“FDOC”) is an agency of the State of Florida created pursuant to Section 20.315, Florida Statutes, to protect the public through the incarceration and supervision of offenders and to rehabilitate offenders through the application of work, programs, and services. FDOC provides an integrated delivery of all offender rehabilitation and incarceration services that are deemed necessary for the rehabilitation of offenders and the protection of society. See “THE FLORIDA PRISON SYSTEM” herein for a description of the facilities and programs operated by FDOC.

FDOC has the authority under Section 944.10, Florida Statutes, to enter into lease-purchase financing arrangements with the Department to finance or refinance State Correctional Institutions. Additionally, FDOC is authorized, pursuant to Chapter 2009-63, Laws of Florida, to finance State Correctional Institutions under a lease-purchase agreement with the Department and the Corporation, or their successors or assignees, without having to utilize the competitive procurement

process. FDOC operates 17 State Correctional Institutions that it previously financed pursuant to Chapter 944, Florida Statutes, and pursuant to a sublease agreement with the Department (the “Sublease Agreement”). FDOC has been granted a possessory interest in such lease-purchased facilities pursuant to the terms of the Master Lease Agreement, the Master Trust Indenture, and the Sublease Agreement. Pursuant to this same authority, Specific Appropriation 670 of the Fiscal Year 2021 General Appropriations Act, Chapter 2020-111, Laws of Florida, and Specific Appropriation 674 of the Fiscal Year 2022 General Appropriations Act, Chapter 2021-____, Laws of Florida. FDOC will enter into an amendment to the Sublease Agreement to provide for the acquisition, construction, financing, and operation of the Series 2021A Project (the “Series 2021A Sublease”). FDOT will be granted a possessory interest in the Series 2021A Project pursuant to the terms of the Master Lease Agreement, the Master Trust Indenture, and the Series 2021A Sublease.

Florida Correctional Finance Corporation

The Florida Correctional Finance Corporation (the “Corporation”) is a Florida not-for-profit, special purpose corporation organized and existing for the sole purpose of acting as the lessor under lease-purchase agreements with the Department to facilitate the issuance of Certificates of Participation (“Certificates”) to finance correctional facilities for the State. The Corporation has no capital stock and its sole member is the Department. Its board of directors (the “Board of Directors”) consists of the Director of the Division; the Director of the Office of Policy and Budget within the Executive Office of the Governor, or his or her designee; and the Secretary of the Department of Management Services, or his or her designee. The Corporation’s principal office and registered place of business is located at 1801 Hermitage Boulevard, Suite 200, Tallahassee, Florida 32308.

Prior to the date hereof, the Corporation and the Department (or a predecessor entity) entered into certain Leases under the Master Lease Agreement resulting in the issuance of the Outstanding Certificates, the proceeds of which financed the Projects. The Corporation may initiate additional Schedules under the Master Lease Agreement, and enter into other lease-purchase agreements with the Department and cause certificates of participation to be issued which represent rent payments to be made under one or more of such other lease-purchase agreements with the Department.

Other than the Series 2021A Project and the Projects previously financed under the Master Lease Agreement, the Corporation has no assets subject to the lien of the Master Trust Indenture. The Corporation is not financially liable for the Basic Rent Payments and the Certificate Owners will have no right to look to the Corporation for any payment with respect to the Series 2021A Certificates. See “SECURITY FOR THE SERIES 2021A CERTIFICATES” herein. Therefore, the financial situation of the Corporation is not material to any of the transactions contemplated in this Offering Statement. No financial information concerning the Corporation has been included herein, nor is it contemplated that any such financial information will be included in any future Offering Statement relating to the sale of any additional Series of Certificates or other obligations of the Department or the Corporation.

Administrative Approval

The Board of Directors of the Corporation, by a resolution dated May 26, 2021, authorized the competitive sale and issuance of the 2021A Certificates and requested the Division to issue the Series 2021A Certificates (the “Sale Resolution”). A copy of the Sale Resolution is attached hereto as Appendix C-2.

CERTIFICATE DOCUMENTS

The Certificate Documents, which authorize and secure the Series 2021A Project and the Series 2021A Certificates are briefly described below; such descriptions do not purport to be comprehensive or definitive. All references to and descriptions of such documents are qualified by reference to the actual documents. Forms of certain Certificate Documents are contained in Appendix C hereto and also are available, upon request and upon payment of charges for copying, mailing, and handling, from U.S. Bank National Association as Trustee under the Master Trust Indenture. The Trustee’s office is located at 225 Water Street, Suite 700, Jacksonville, Florida 32202.

State Land Lease and Series 2021A Ground Lease

The land on which the Series 2021A Project will be constructed is owned by the State of Florida through the Board of Trustees of the Internal Improvement Trust Fund (the “Internal Improvement Trust Fund”). FDOC obtained a leasehold interest in the land from the Internal Improvement Trust Fund pursuant to a state land lease entered into on March 9, 1977 (the “State Land Lease”), which has an initial term of 99 years, and which was amended on September 13, 1988. The State Land Lease will expire in 2076. FDOC will enter into a ground sublease agreement (the “Series 2021A Ground Lease”) to lease the site of the Series 2021A Project to the Corporation for a term of 20 years. The term of the Series 2021A Ground Lease is at least as long as the final maturity of the Series 2021A Certificates. The Corporation does not have fee simple title in the land

on which the Series 2021A Project is located; rather it has a leasehold interest as the sublessee under the Series 2021A Ground Lease. The Corporation may not assign its rights under the Ground Leases to the Trustee, nor may any portion of the Series 2021A Project be secured by a mortgage; **however, the Trustee does have the contractual right to require that the Department, as lessee, or any sublessee vacate the premises of the Series 2021A Project and other Projects leased under the Master Lease Agreement in the Event of a Non- Appropriation.**

Master Lease Agreement and Series 2021A Lease

The Amended and Restated Master Lease Agreement with Option to Purchase between the Department, as Lessee, and the Corporation, as Lessor, dated February 1, 2009, amending and restating a Master Lease Agreement with Option to Purchase between the Commission, as Lessee, and the Corporation, as Lessor, dated as of November 1, 2001, and the Schedules attached thereto and the particular Schedule relating to a Series of Certificates (the “Master Lease Agreement”) provides for the lease-purchase financing for the acquisition, construction, and equipping of Private Correctional Facilities and State Correctional Institutions (the “Projects”). A copy of the Master Lease Agreement is attached hereto as Appendix C-5. See “THE PROJECTS UNDER THE MASTER LEASE AGREEMENT – The Projects” herein for a list of the Projects currently leased under the Master Lease Agreement.

The Department, as Lessee, and the Corporation, as Lessor, will enter into a Schedule to the Master Lease Agreement, pursuant to which the Department will lease-purchase the Series 2021A Project from the Corporation, subject to the terms and conditions of the Master Lease Agreement (“Schedule No. 2021A”). The proposed form of Schedule No. 2021A is attached hereto as Appendix C-6. The Master Lease Agreement, as supplemented by Schedule No. 2021A forms the “Series 2021A Lease.” The original term of the Series 2021A Lease will be less than one year, beginning on or about _____, 2021 and ending on June 30, 2022; and will automatically be renewed for 18 additional 12 month terms ending on June 30 of each year, unless the Series 2021A Lease is earlier terminated by the prepayment of the Series 2021A Certificates or the occurrence of an Event of Default or an Event of Non-Appropriation under the Series 2021A Lease. See “SECURITY FOR THE SERIES 2021A CERTIFICATES – State Appropriations of Rent Payments” and “EVENTS OF DEFAULT AND REMEDIES – Events of Default and Remedies under the Master Lease Agreement” herein for a discussion events that constitute Event of Defaults or Non-Appropriation under the Master Lease Agreement.

Master Trust Indenture and Series 2021A Supplemental Trust Indenture

The Amended and Restated Master Trust Indenture by and between the Corporation, as Lessor, and the Trustee dated as of February 1, 2009, amending and restating a Master Trust Indenture dated as of November 1, 2001, together with each Supplemental Trust Indenture (the “Master Trust Indenture”) provides for the issuance and sale of one or more Series of Certificates secured by and be payable from Basic Rent Payments to be made by the Department pursuant to the Master Lease Agreement to finance the Costs of the Projects. A copy of the Master Trust Indenture is attached hereto as Appendix C-3. See “SECURITY FOR THE SERIES 2021A CERTIFICATES – State Appropriations of Rent Payments” herein

The Corporation, as Lessor, and the Trustee will enter into a Supplemental Trust Indenture, supplementing the Master Trust Indenture, which will authorize the issuance of the Series 2021A Certificates to finance the Cost of the Series 2021A Project and to pay Costs of Issuance of the Series 2021A Certificates (the “Series 2021A Supplemental Trust Indenture”). The proposed form of the Series 2021A Supplemental Trust Indenture is attached hereto as Appendix C-4.

Assignment of Leases, Rents and Profits

Pursuant to an Assignment of Leases, Rents and Profits (the “Assignment”), the Corporation, as Lessor, will make a present irrevocable assignment to the Trustee of certain of its right, title and interest in and to the Series 2021A Lease, including without limitation, the Basic Rent Payments and any prepayments thereof, and any other amounts required to be paid by the Department under the Series 2021A Lease, but excluding certain retained rights described therein, including certain rights to the land under the Series 2021A Project, the right to possession, its rights to indemnification, and its rights to enter into additional Schedules. The proposed form of the Assignment is attached hereto as Appendix C-7.

Although the Series 2021A Project will be constructed on land leased by the Corporation under the Series 2021A Ground Lease, no portion of the Series 2021A Ground Lease will be assigned to the Trustee, nor will any portion of the Series 2021A Project be secured by a mortgage. **Nevertheless, the Trustee will have the contract right under the Assignment and the Series 2021A Supplemental Trust Indenture to act as and on behalf of the Corporation as Lessor under the Master Lease Agreement to enforce the Lessor’s rights under the Master Lease Agreement, including without limitation the covenant that the Department, as Lessee, vacate or cause any sublessee to vacate all premises leased under the Master Lease Agreement in the event of a Non-Appropriation, as well as the right to re-enter, take possession of and re-let all leased premises without terminating the Master Lease Agreement.** See “SECURITY FOR THE SERIES 2021A

CERTIFICATES – State Appropriations of Rent Payments” herein for a discussion of the effect of an Event of Non-Appropriation under the Master Lease Agreement.

DESCRIPTION OF THE 2021A CERTIFICATES

Form and Denomination of the 2021A Certificates

The Series 2021A Certificates are issuable as fully registered (book-entry-only) Certificates in denominations of \$1,000 or any integral multiple thereof. The Series 2021A Certificates shall be dated the date of delivery thereof, and shall mature in the years and principal amounts set forth on the inside cover page of this Offering Statement. Interest is payable November 1 and May 1 of each year (each a “Certificate Payment Date”), commencing November, 2021, and represents a fractional undivided interest in the Interest Portion of Basic Rent Payments due on October 15 and April 15 of each year (each a “Basic Rent Payment Date”), to and including the maturity date of each Series 2021A Certificate, at the rates set forth on the inside cover page hereof. The principal amount of the Series 2021A Certificates payable at maturity or upon redemption thereof, whichever is earlier, shall represent a fractional undivided interest in the Principal Portion of Basic Rent Payments due on October 15 of each year. Interest on the Series 2021A Certificates will be calculated on the basis of a 360-day year of twelve 30-day months.

Book-Entry Only System

The Series 2021A Certificates will initially be issued exclusively in “book-entry” form. Ownership of one 2021A Certificate for each maturity (as set forth on the inside front cover), each in the aggregate principal amount of such maturity, will be initially registered in the name of “Cede & Co.” as registered owner and nominee for the Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the Series 2021A Certificates. Individual purchases of the Series 2021A Certificates will be made in book-entry form only, and the purchasers will not receive physical delivery of the Series 2021A Certificates or any certificate representing their beneficial ownership interest in the Series 2021A Certificates. See Appendix F “Provisions for Book-Entry Only System or Registered Bonds” for a description of DTC, certain responsibilities of DTC, the Department and the Trustee, and the provisions for registration and registration for transfer of the Series 2021A Certificates if the book-entry only system of registration is discontinued.

Prepayment of the 2021A Certificates

Optional Prepayment. The Series 2021A Certificates maturing in the years 2021 through 2030, both inclusive, are not subject to optional prepayment and redemption prior to their stated dates of maturity. The Series 2021A Certificates, including any Term Certificates, maturing in 2031 and thereafter are redeemable prior to their stated dates of maturity, without premium, at the option of the Corporation from prepayments of Basic Rent pursuant to the Series 2021A Lease, in whole or in part on November 1, 2030, or on any date thereafter, at the Prepayment Price of the principal amount of the Series 2021A Certificates so redeemed, together with interest accrued thereon to the date of redemption. If the Series 2021A Certificates are redeemed in part, they shall be redeemed in such order of maturities as may be designated by the Corporation or, if not so designated, in the inverse order of maturities and by lot within a maturity in such manner as may be designated by the Trustee.

Mandatory Sinking Fund Prepayment. The successful bidder will have the option of specifying that all of the principal amount of the Series 2021A Certificates scheduled to mature in any two or more consecutive years will, in lieu of maturing in each of such years, be considered to comprise a single maturity of such Certificates (a “Term Certificate”) scheduled to mature in the latest of such years. Such Term Certificates will be subject to mandatory sinking fund prepayment and redemption from the Series 2021A Rent Payment Account in the Rent Payment Fund by lot at par in each of the years and in the principal amounts set forth on the inside front cover, plus accrued interest, and without premium. The successful bidder may exercise the above option one or more times.

The final Offering Statement will reflect which Series 2021A Certificates, if any, will be Term Certificates, subject to mandatory prepayment by completion of the following paragraph and amortization table for each Term Certificate:

The Series 2021A Certificates maturing on November 1, 20__ (the “20__ Term Certificates”), are subject to mandatory sinking fund prepayment in part, by lot at par (in such manner as the Trustee deems appropriate), commencing on November 1, 20__, in each of the years and amounts set forth below:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
_____	\$ _____	_____	\$ _____

Extraordinary Prepayment. Upon an event giving rise to an extraordinary prepayment, such as an Event of Default, the Series 2021A Certificates may be prepaid in whole or in part at any time and if in part, the Series 2021A Certificates shall be credited for prepayment in the inverse order of maturity corresponding to the due dates of the principal portion of the Basic Rent Payments due under the Series 2021A Lease as shall be designated by the Department to be prepaid, and by lot within a maturity in such manner as the Trustee shall determine to be fair and appropriate. Any such prepayment shall be applied by the Trustee to such principal portion of such Basic Rent Payment at the Prepayment Price of par, plus interest accrued to the Prepayment Date.

Notice of Prepayment and Redemption. Notice of prepayment of the Principal Portion of Basic Rent Payments represented by any of the Series 2021A Certificates and of redemption of such Series 2021A Certificates shall be mailed, postage prepaid to the Owners of the Certificates to be prepaid, not more than 45 days nor fewer than 30 days prior to the date of prepayment with respect to an Optional Prepayment, and 15 days prior to prepayment with respect to either an Extraordinary Prepayment or Mandatory Sinking Fund Prepayment. Failure to mail any such notice, or any defect in such notice as mailed, shall not affect the validity of the proceeding for the prepayment of Basic Rent Payments represented by any of the Series 2021A Certificates or the prepayment of such Series 2021A Certificates for which proper notice was given.

PURPOSE OF THE ISSUE

The Series 2021A Certificates are being issued to finance a portion of the costs of acquisition and/or construction and equipping of the Series 2021A Project and the Series 2021A Equipment related thereto, and to pay costs of issuance. The Series 2021A Project will be constructed and operated by the FDOC pursuant to the Sublease Agreement with the Department. It is anticipated that additional correctional facilities may be financed in the future through additional leases under the Master Lease Agreement and the issuance of additional Certificates under the Master Trust Indenture.

The Series 2021A Project

The Series 2021A Project includes the acquisition, construction, and equipping of a 550 bed inpatient mental health treatment facility, the Lake Correctional Institution Mental Health Facility, at the existing Lake Correctional Institution. The Lake Correctional Institution, is located on U.S. Highway 27 in Clermont, in Lake County, Florida. The Lake Correctional Institution Mental Health Facility will be located within the secure perimeter of the Lake Correctional Institution and include 18 secure housing units (comprised of 11 transitional care units, four crisis stabilization units, and three court-ordered mental health units), one medical stabilization unit, and related facilities. The secure housing units have been designed to allow all treatment services such as individual therapy, group therapy, community therapy, and recreation to be provided within each secure housing unit. The Series 2021A Project will also contain programming and education classrooms for those mental health inmates who demonstrate the ability to attend such services outside of their secure unit, as well as for the general population inmates who reside in other portions of the existing Lake Correctional Institution. The Series 2021A Project may also include improvements to certain existing structures and utilities serving the Lake Correctional Institution to accommodate the increased number of inmates which are not located on the Land and are being financed as Equipment.

Permits have been received for the project. FDOC has authority to issue construction permits per Section 553.80(1)(a), Florida Statutes. Design and preliminary engineering work are substantially complete and FDOC expects construction to begin in October 2021 and the Series 2021A Project to be complete in March 2024.

The Project Fund and the Series 2021A Acquisition Account

The Master Trust Indenture creates the Project Fund, a trust fund to be used only for the payment of the Costs of the Projects. Separate accounts within the Project Fund are established from the proceeds of the sale of each Series of Certificates. A separate account within the Project Fund, the "Series 2021A Acquisition Account" is being established for the Series 2021A Certificates to pay costs of the Series 2021A Project. The Owners of the 2021A Certificates shall have a lien on all the proceeds deposited in the Series 2021A Acquisition Account until such moneys are applied as provided in the Series 2021A Supplemental Trust Indenture.

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Estimated Sources and Uses of Funds

The table below presents estimated sources and uses of funds based on certain assumptions as to interest rates, costs of issuance, and the purchase price of the Series 2021A Certificates, which will be determined upon the actual pricing of the Series 2021A Certificates.

Sources of Funds:	
Par Amount of Series 2021A Certificates	\$
Net Premium Bid ¹	
Construction Fund Earnings ²	
Total Sources	\$
Uses of Funds:	
Deposit to Series 2021A Acquisition Account	\$
Deposit to Series 2021A Cost of Issuance Account	
Total Uses	\$

¹ Estimated original issue premium net of estimated underwriter's discount.

² Interest is estimated at ____% over the construction period.

Application of the 2021 Certificate Proceeds

Simultaneously with the delivery of the Series 2021 Certificates, and after reserving an amount sufficient to pay all Costs of Issuance, including a reasonable service charge for the services of the Division, and accrued interest, if any, the remainder of the proceeds will be applied pursuant to Section XXX of the XXX, as set forth below.

SECURITY FOR THE 2021A CERTIFICATES

General

Basic Rent Payments due under the Master Lease Agreement for each Series of Certificates are subject to annual appropriation on an "all-or-none" basis as described below. While all Certificates benefit equally from such "all-or-none" Basic Rent appropriation requirement, as discussed herein, each Series of Certificates is secured independently from other Series of Certificates, except as otherwise provided in any Supplemental Trust Indenture. Multiple Series of Certificates have previously been issued and are currently Outstanding in the aggregate principal amount of \$_____.

The Rent Payments due under the Master Lease Agreement are to be made only from funds legally available to the Department and neither the Department, the FDOC, the State of Florida, nor any political subdivision or agency thereof shall be obligated to pay any sums due to the Corporation under the Master Lease Agreement from other than duly appropriated funds. **The State's performance and obligation to pay under the Master Lease Agreement is contingent upon an annual legislative appropriation as discussed herein. No requirement exists to compel the State Legislature to make such annual appropriation in the future, nor may any Owner legally compel the State Legislature to make such appropriation.**

Appropriations for obligations of the Department, including the Rent Payments under the Master Lease Agreement, for the Fiscal Year ending June 30, 2021 and all prior fiscal years have been made, and for future years are expected to be made, through appropriations to the Department and the FDOC. See "HISTORICAL APPROPRIATIONS" herein. General information relating to the State of Florida, including certain financial information, is set forth in Appendix A hereto. The Florida General Purpose Financial Statements for Fiscal Year ended June 30, 2020 are set forth in Appendix B.

The 2021A Certificates are not a debt or obligation of the State of Florida or any instrumentality or political subdivision thereof, including the Department and FDOC, within the meaning of any constitutional or statutory provision or limitation, nor does the Department's contractual obligation under the Master Lease Agreement to request an appropriation constitute an indebtedness. Neither is the full faith and credit of the State of Florida nor any political subdivision or agency thereof, or any instrumentality or political subdivision thereof, including the Department and FDOC, pledged for payment of such sums due under the Master Lease Agreement. The 2021A Certificates are not general obligations of the Corporation.

Pledge of Series 2021A Basic Rent Payments

The Series 2021A Certificates will be issued pursuant to the Master Trust Indenture and evidence fractional undivided interests of the Owners thereof in the Basic Rent Payments to be made under the Series 2021A Lease and will be secured on a parity basis by the Basic Rent Payments to be made by the Department under the Series 2021A Lease. The Department is only obligated to make such Basic Rent Payments from amounts paid and collected under the Series 2021A Lease. The Series 2021A Supplemental Trust Indenture does not alter the general rule that each Series of Certificates is independently secured by the Trust Estate relating to such Series of Certificates. Basic Rent Payments, however, represent only a portion of the rights granted to the Trustee with respect to a Series of Certificates (the "Trust Estate"). The Trust Estate with respect to each Series of Certificates shall include only the respective Lease, the moneys in the respective funds and accounts relating to such Series of Certificates, and Equipment acquired with the proceeds of such Series of Certificates. The Owners of the Series 2021A Certificates shall have no claim against, nor receive any benefits from, any portion of the Trust Estate constituting Rent Payments, other than payments under the Series 2021A Lease, or derived from the sale, re-letting or other disposition of Projects, or any cash, securities or investments in the Pledged Accounts, other than the Series 2021A Pledged Accounts. Rent Payments under the Leases relating to the Projects currently under the Master Lease Agreement; payments derived from such Projects; and cash, securities, and investments in the related Pledged Accounts for such Projects are not pledged to the payment of the Series 2021A Certificates.

Series 2021A Rent Payments

Pursuant to the Series 2021A Lease, the Department agrees to pay or cause to be paid to the Trustee the Basic Rent Payments in arrears by wire transfer of immediately available funds on the fifteenth day prior to the end of each Rent accrual period (each a "Basic Rent Payment Date") in the amounts required to pay the Principal Portion and the Interest Portion of the Series 2021A Certificates due on the ensuing Certificate Payment Date and the Trustee will apply the same to the payment of the principal of and the interest on the Series 2021A Certificates in accordance with the Master Trust Indenture.

The Department further agrees to pay the Supplemental Rent from time to time to meet its obligations under the Series 2021A Lease including, without limitation, amounts required to be deposited by the Department to the credit of the Series 2021A Reserve Account or to the credit of the Series 2021A Rebate Subaccount, amounts payable to the Corporation as an indemnity pursuant to the Series 2021A Lease, amounts payable to the Trustee for its services as trustee under the Master Trust Indenture and all other amounts, liabilities and obligations which the Department assumes or agrees to pay to the Corporation or to others with respect to the Refinanced Projects, together with interest on any overdue amount at the Maximum Interest Rate.

The Department represents and warrants that, for the Initial Lease Term and upon the renewal thereof for any Renewal Lease Term, the obligation of the Department to pay Rent under the Series 2021A Lease, for such Fiscal Year of the Department, shall constitute a current obligation of the Department and shall not in any way be construed to be a debt of the Department in contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by the Department. All payments of Rent and all other payments required to be made by or on behalf of the Department under the Series 2021A Lease will be made when due without notice or demand, and, subject to an adequate appropriation having been made for the Lease Term in question, shall be absolute and unconditional and without any set-off, counterclaim, abatement, deduction, or defense (other than payment).

State Appropriations of Rent Payments

The obligation of the Department to make Rent Payments which include Basic Rent and Supplemental Rent under the Series 2021A Lease is a limited and special obligation, payable solely from moneys specifically appropriated by the State as part of the legislative budget process for such purpose. The Department is required to request an appropriation for all such Rent Payments, as discussed below. Pursuant to the Act, the request for an appropriation of funds to pay Rent Payments is made by the Department in a request to FDOC, which is statutorily required to include such request in its budget request to the State Legislature as a separately identified item and to forward the request of the Department without change. After the appropriations have been made by the State to FDOC for the Department, FDOC has no authority over such funds other than to pay from such appropriation to the appropriate payee such amounts as are certified for payment by the Department. **The State Legislature is under no continuing obligation to make such appropriation and there can be no assurance that sufficient funds will be appropriated or otherwise be made available to make all of the Rent Payments due under the Master Lease Agreement.**

The budgetary process for the State, including the passage of Appropriations Acts, is typically carried out during the 60-day regular legislative session, or subsequent special session, which occurs every spring. The State Legislature appropriates the funds for the Rent Payments from the general funds available to the State each year. Under the Master Lease Agreement, the State may not budget and appropriate for only a portion of Basic Rent for all of the Projects; it must budget and appropriate for all Projects or none of them. If the State fails to enact an Appropriations Act that specifically appropriates sufficient funds

to make the Rent Payments due for all Projects, such action may be considered an Event of Non-Appropriation; provided, however, that in the event an Appropriations Act is not enacted at all prior to the expiration of the then-current Initial or Renewal Lease Term for a Project, the occurrence of an Event of Non-Appropriation will be deemed suspended pending the conclusion of the legislative and executive process of enacting such Appropriations Act. For a discussion of the remedies available to the Trustee in the event the State fails to appropriate sufficient funds to pay Rent Payments, see “EVENTS OF DEFAULT AND REMEDIES” herein.

Department’s Covenant to Request appropriation. The Department covenants in the Series 2021A Lease that it will make request to FDOC for appropriation of Rent Payments under the Master Lease Agreement each year. The Department intends to continue the Series 2021A Lease with respect to the Refinanced Projects in effect for the Maximum Lease Term and believes that funds will be appropriated by the Florida Legislature and will be made available to the Department in an amount sufficient to pay all Rent Payments for the Maximum Lease Term of the Series 2021A Lease. The Series 2021A Lease will remain in effect with respect to the Refinanced Projects through the Initial Lease Term and all Renewal Lease Terms for the Maximum Lease Term, subject to the termination of the Lease Term by the occurrence of an Event of Default or an Event of Non-Appropriation under the Master Lease Agreement or by the Department either causing all Rent Payments to be paid for the Maximum Lease Term or paying the Option Price for the Refinanced Projects pursuant to the Series 2021A Lease.

Effect of an Event of Non-Appropriation. The Rent Payments are subject to annual appropriation and if the State does not specifically appropriate sufficient funds, the Master Lease Agreement shall be terminated as a result of an Event of Non-Appropriation. Following an Event of Non-Appropriation, the Master Lease Agreement will terminate and the Department will not be obligated to make payment of Rent accruing or arising beyond such last day of the then current Lease Term.

An Event of Non-Appropriation shall occur if the State Legislature does not approve a tentative budget and a final budget in accordance with State law which specifically appropriates sufficient funds to continue making Rent Payments in full for all Projects leased under the Master Lease Agreement beyond the end of the Initial Lease Term or Renewal Lease Term for the following Renewal Lease Term. The Department must deliver immediate written notice to the Corporation and the Trustee and the Insurer, if applicable, if (1) such a specific appropriation is not included in the proposed budget or (2) such a specific appropriation is not included in the budget as passed by the State Legislature and approved by the Governor. In the event the State Legislature’s final budget for such ensuing Renewal Lease Term is not enacted prior to the expiration of the then current Lease Term, the Lease Term shall be deemed renewed pending the enactment of such tentative budget and final budget, and the Department shall be liable for any Rent Payments coming due during such period, but only if the tentative budget and final budget make available to the Department moneys which may legally be used to make the Rent Payments coming due during such period or if there are sufficient funds available in the Reserve Fund to make the payments due to the Owners of all Certificates issued under the Master Trust Indenture.

If an Event of Non-Appropriation occurs, the Department shall immediately return possession of each Project (other than certain Equipment) to the Trustee after the date on which such Event of Non-Appropriation occurs. The obligation to return the Projects shall survive the termination of the Master Lease Agreement. Except as otherwise expressly provided in the Certificate Documents, under no circumstances shall the failure of the State to appropriate sufficient moneys to pay Rent Payments constitute a Default or Event of Default or require payment of a penalty, or in any way limit the right of the State, the Department, or FDOC to purchase or utilize buildings, facilities, or equipment similar in function to the property leased under the Master Lease Agreement.

Flow of Funds

Funds and Accounts. Pursuant to the Master Trust Indenture, the following funds and accounts are established: (i) a Project Fund (the “Project Fund”), which shall consist of an Acquisition Account, a Costs of Issuance Account, a Capitalized Interest Account, and an Earnings Account; (ii) a Rent Payment Fund (the “Rent Payment Fund”); (iii) an Optional Prepayment Fund (the “Optional Prepayment Fund”), an Extraordinary Prepayment Fund (the “Extraordinary Prepayment Fund”), and a Special Prepayment Fund (the “Special Prepayment Fund”) (collectively, the “Prepayment Funds”); and (iv) the Reserve Fund.

Simultaneously with the issuance of the Series 2021A Certificates, Series 2021A subaccounts will be established within the Acquisition Account, Costs of Issuance Account, the Earnings Account, the Rent Payment Fund, and the Prepayment Funds. No subaccount is being established in the Reserve Fund in connection with the Series 2021A Certificates.

Application of Basic Rent Payments. Basic Rent Payments and any other Lease-Purchase Revenues paid to the Trustee, as assignee of the Corporation pursuant to the Master Lease Agreement and the Assignment, shall be deposited as received by the Trustee in the Rent Payment Fund in the following manner:

- (a) The Basic Rent Payments shall be deposited to the respective Series accounts in the Rent Payment Fund.
- (b) The mandatory prepayments of Basic Rent Payments for the scheduled redemption of Term Certificates shall be deposited to the respective Series account in the Rent Payment Fund.
- (c) The optional prepayments of Basic Rent Payments, including payment of the Option Price, shall be deposited to the respective Series account in the Optional Prepayment Fund.
- (d) The Premium Portion, if any, of the optional prepayments of the Basic Rent Payments, including payment of the Option Price, shall be deposited to the respective Series account in the Optional Prepayment Fund.
- (e) In the event that a deposit of additional funds by the Department is required for the acquisition of a Project, or a deposit of Net Proceeds of insurance or a condemnation award is required, such deposits, when received shall be deposited to the Acquisition Account in the Project Fund.
- (f) In the event that a deposit of funds is required by the Department due to a deficiency in the Reserve Fund, and upon receipt of such moneys, such moneys shall be deposited to the Reserve Fund.
- (g) In the event that any moneys are paid by the Department to the Trustee for reimbursement to the Bond Insurer and upon receipt of such moneys shall be remitted to the same to the Bond Insurer.
- (h) In the event that a deposit of funds is required by the Department in the Rebate Account, and upon receipt of such moneys, such moneys shall be deposited to the Rebate Account.
- (i) Any other Supplemental Rent shall be deposited into a special temporary account identified to the Department and created by the Trustee for such purpose and shall be held in trust hereunder for the benefit of the Person entitled to receive same pending application thereof for the purpose for which same were made.
- (j) Following an Event of Default, the Net Proceeds of sale of a Project, upon a disposition thereof, and upon receipt of such moneys, such Net Proceeds and all other moneys shall be deposited to the Special Prepayment Fund.

Application of Rent Payment Fund. Amounts in the Rent Payment Fund will be used and withdrawn by the Trustee (i) to pay the Certificate Payments represented by the Certificates when due and payable, including accrued interest with respect to any Certificates prepaid prior to maturity, to the extent not paid from the Optional, Extraordinary, or Special Prepayment Fund; and (ii) to reimburse a Bond Insurer for any payment made pursuant to a Municipal Bond Insurance Policy. On each principal and interest payment date with respect to a Series of Certificates, an amount equal to the Basic Rent Payments due will be disbursed from the Rent Payment Fund for such purpose.

Application of Optional Payment Fund. Amounts in the Optional Payment Fund amounts deposited in such Optional Prepayment Fund shall be used and withdrawn by the Trustee solely: (i) to prepay the Certificate Principal Payments and to pay the Certificate Interest Payments represented by the Prepayment Price of the Certificates paid to the Owners of such Certificates; and (ii) to pay the Premium Portion, if any, of the Prepayment Price in conjunction with such an Optional Prepayment to the Owners of the Certificates being prepaid. On each such Optional Prepayment Date an amount equal to the Basic Rent Payments being prepaid shall be disbursed for such purpose by the Trustee from the Optional Prepayment Fund

No Funded Reserve Account

The Master Trust Indenture establishes the Reserve Fund and subaccounts therein for individual series of Certificates to be funded at the Corporation's discretion. The Series 2021A Certificates will not be secured by any account or subaccount in the Reserve Fund. No deposit will be made to the Reserve Fund from the proceeds of the Series 2021 Certificates. **The Owners of the Series 2021 Certificates, by virtue of their purchase of the same, consent and agree that the Series 2021 Certificates will not be secured by the Reserve Fund or any account or subaccount therein.**

ADDITIONAL CERTIFICATES

The Master Lease Agreement contemplates that the relationship between the Department and the Corporation will be a continuing one that additional Projects may be added to the Master Lease Agreement from time to time, and that additional Certificates may be issued under the Master Trust Indenture in connection with such Projects. There is no limit on the number of additional Projects that may be financed under the Master Lease Agreement. The number of Series of Certificates which

may be issued under the Master Trust Indenture is not limited. Additional Series may be issued for purposes of funding the Cost of a Project, for completion purposes, or for refunding purposes. Except as described below with the Completion Certificates, each Series of Certificates shall be secured independently from any other Series by the Rent Payments under the applicable Lease Schedule and the respective accounts held under the Master Trust Indenture for such Series of Certificates. However, the Florida Legislature must budget and appropriate for Basic Rent for all Projects under the Master Lease Agreement or none of them. If the Legislature does not appropriate for all Rent Payments due under the Master Lease Agreement, the Trustee has the right to evict the Department from all facilities.

Completion Certificates

Completion Certificates may be issued to provide necessary funds to complete payment of the Costs of one or more of the Projects or to finance additional property which shall be added to one or more of the Projects or which shall be substituted for a portion of one or more of the Projects. Such Completion Certificates, for purposes of the Master Trust Indenture and the Master Lease Agreement, shall constitute a part of the Certificates.

The proceeds of Completion Certificates may be used to capitalize interest on such Completion Certificates and pay Costs of Issuance, and shall be deposited in the Pledged Accounts established for the Series of Certificates which financed the original Project in such manner and in such amounts as determined by the Supplemental Trust Indenture relating to authorization of such Completion Certificates. The Completion Certificates shall be secured on a parity with the Series of Certificates to which such Completion Certificates relate in accordance with the terms of the Master Trust Indenture and the Supplemental Trust Indenture authorizing such Completion Certificates.

Refunding Certificates

Refunding Certificates may be issued under and secured by the Master Trust Indenture, at any time or times, for the purposes of providing funds for refunding part or all of the Certificates at or prior to their maturity or maturities, including the payment of any Premium Portion thereon and interest which will accrue on such Certificates to their date of payment; making a deposit, as necessary, to the account of the Reserve Fund which shall secure such Refunding Certificates; and paying the Costs of Issuance relating to said Refunding Certificates. Such Refunding Certificates may be secured in the same manner and from the same Pledged Accounts as the unrefunded portion of the Series of Certificates to be refunded in accordance with the terms of the Master Trust Indenture.

EVENTS OF DEFAULT AND REMEDIES

Events of Default and Remedies under the Master Lease Agreement

Events of Default under the Master Lease Agreement include, among other things: the Department defaulting in the payment of Rent or any other payment under the Master Lease Agreement; the Department failing to provide insurance as required by the Master Lease Agreement; the Department failing to immediately surrender the Project to the Trustee following an Event of Lease Default or an Event of Non-Appropriation; or the Department taking action or permitting action to be brought against it involving the bankruptcy or insolvency of the Department.

Remedies under the Master Lease Agreement include, among other things, the Corporation taking possession of the Projects (other than certain Equipment) and excluding the Department without terminating the Master Lease Agreement; the Corporation taking possession of the Projects (other than certain Equipment), selling or leasing certain Equipment and holding the Department liable for decreased Rent; the Corporation terminating the Master Lease Agreement and accelerating the Rent Payments due for the current Fiscal Year; the Corporation terminating the Lease and requiring the Department to transfer possession to the Corporation; or the Corporation taking any other action at law or in equity necessary or desirable to collect Rent Payments and enforce obligations of the Department under the Lease.

The Corporation has assigned to the Trustee certain rights to enforce such remedies; however, the right to possession of the land under the Projects has been retained by the Corporation subject to the Trustee's right to re-let the land. Under the Master Trust Indenture, the right to take remedial actions may be controlled by the Insurer, if applicable, or, in certain circumstances, a majority of the Certificate Owners.

Events of Default and Remedies under the Master Trust Indenture

Events of Default under the Master Trust Indenture include, among other things: default in the due and punctual payment of any Certificate Interest Payment; default in the due and punctual payment of a Certificate Principal Payment whether at a Certificate Payment Date, the stated maturity or on an optional prepayment date; the occurrence of an Event of

Default under the Master Lease Agreement; a covenant default by the Department under the Master Trust Indenture, except a default set forth in the preceding clauses, which not cured after 30 day notice from the Trustee.

Upon an Event of Default, among other things, the Trustee may or, upon receipt of a Directive shall, accelerate Certificate Principal Payments and the Certificate Interest Payments accrued to the date of such acceleration or the Trustee may, and upon receipt of a Directive shall, liquidate the Trust Estate or the Trustee may sublet, re-let, rent or lease the Projects or any portion thereof (other than certain Equipment) and pursue any other remedy available at law.

THE FLORIDA PRISON SYSTEM

FDOC is the State agency responsible for managing and overseeing the Florida Prison System, which is comprised of all adult prisons, other state correctional institutions, and related programs. Pursuant to Section 945.05, Florida Statutes, FDOC has supervisory and protective care, custody, and control of the inmates, buildings, grounds, property, and all other matters pertaining to various types of correctional facilities. FDOC operates and maintains a diverse variety of correctional facilities in terms of size and the types of inmates that can be housed within each facility and uses specific facilities to respond to inmate physical and mental health needs. As of November 31, 2020, FDOC had a total of 25,148 employees, including 20,353 certified officers in institutions or probation/parole offices.

The Florida Prison System is made up of 143 correctional facilities across the state, the majority of which are operated by FDOC. There are 57 major institutions, 50 of which are operated by FDOC and seven Private Correctional Facilities, the operations and management contracts for which are overseen by the Department pursuant to the Act. Additionally, there are 16 annexes, 33 work camps, three re-entry centers, two road prisons, one forestry camp, one basic training camp, all of which are operated by FDOC. There are also 30 work release centers, including 12 operated by FDOC and 18 operated by various private vendors, the operations and management contracts for which are overseen by FDOC.

FDOC is one of the largest fully accredited correctional agencies in the nation; through the American Correctional Association (the “ACA”) and the Commission on Accreditation for Corrections, FDOC has achieved accreditation of all its major institutions, work release centers, and community correction offices. As of November 31, 2020, with 79,526 inmates and about 116,000 offenders supervised on probation and parole (active and active-suspense status), the Florida Prison System was the third largest state prison system in the United States.

The capacity limits for housing the inmates within the Florida Prison System are established by State law. The formulas to calculate the design capacity, total capacity, and maximum capacity of each institution are set forth in Section 944.023, Florida Statutes, and are based on the institution’s physical configuration of secure housing units and open bay dormitories. Although an institution may house inmates up to the *maximum* capacity for such institution, the Florida Prison System as a whole cannot exceed *total* capacity; defined as one and one-half of the Florida Prison System’s *design* capacity. Due to the litigation where inmates successfully challenged denial of overcrowding credits, FDOC has further limited the overall capacity of the Florida Prison System to 97.5% of *lawful* capacity, which is one and one-third of the Florida Prison System’s design capacity (as defined by an earlier statute).

Although the inmate population in the Florida Prison System increased 27% from Fiscal Year 2004 to Fiscal Year 2014, the inmate population has decreased by 21% since Fiscal Year 2014. The decrease in inmate population is due to the lower number of arrests, lower recidivism rates, and legislative changes in criminal penalties. In order to accommodate changing inmate populations, FDOC has closed, re-opened, remodeled, and built new correctional facilities based on its needs. State law requires that every person sentenced to prison who committed a crime on or after October 1, 1995, serve a minimum of 85% of his or her prison sentence. This applies to all inmates, regardless of the type of crime committed. No felony offender sentenced under the 85% minimum is eligible for parole, and the average percentage of sentence served for released offenders was 86% in June 2020.

Historical State Prison Admissions, Releases, and Populations. The following table sets forth the historical state prison admissions, releases, and population for the past five Fiscal Years. The “End of Year Population” includes all inmates in custody at the end of a Fiscal Year. “Admissions” and “Releases” do not include inmates who are temporarily moved from or returned to a facility for purposes of a legal proceeding. Thus, “End of Year Population” is not directly correlated with the admissions and releases that occurred during that Fiscal Year.

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Historical State Prison Admissions, Releases, and Populations

<u>Fiscal Year</u>	<u>Admissions</u>	<u>Releases</u>	<u>End of Year Population</u>
2016	30,289	31,957	99,119
2017	28,783	30,833	97,794
2018	27,917	30,225	96,253
2019	28,782	30,030	95,626
2020	21,276 ¹	29,983	87,736

Source: State of Florida Department of Corrections.

¹ Decrease in Admissions during Fiscal Year 2020 was attributable to a reduction in the number of inmates received from counties. The reductions were necessary to help control the introduction of COVID-19 into the Florida Prison System.

Projected State Prison Admissions, Releases, and Populations. The Florida Criminal Justice Estimating Conference (the “Conference”) is a periodic meeting of representatives of the State of Florida’s Budget Office, the Florida Legislature’s Appropriations Committee, and the Florida Supreme Court. See “STATE FINANCIAL OPERATIONS – Budgetary Process” in Appendix A for a description of the Conference. The purpose of the Conference is to disseminate information containing past statistics and to make future projections for state prison capacity and inmate population. The current forecast, revised in November 2020, projects that admissions and inmate population will continue to decline in Fiscal Year 2021 due to the State’s efforts to reduce the spread of COVID-19 in the Florida Prison System.

The following table shows the latest projections for state prison capacity and inmate population for the current and next four years. These forecasts are revised at least semiannually by the Conference. The projections were based upon the economic information and assumptions developed and adopted by the Conference at that time. ***The projections are based on the best information available when the estimates are made, which is believed to be accurate. Projections are statements of opinion and are subject to future events which may cause the actual results to differ materially from those set forth herein. Undue reliance should not be placed on these projections.***

Projected State Prison Admissions, Releases, and Populations

<u>Fiscal Year</u>	<u>Admissions</u>	<u>Releases</u>	<u>End of Year Population</u>
2021	19,532	25,152	82,116
2022	28,712	24,365	86,463
2023	29,994	26,726	89,731
2024	29,458	27,573	91,616
2025	28,558	27,835	92,339

Source: Florida Criminal Justice Estimating Conference, November 2020.

Types of Correctional Facilities

Facilities within the Florida Prison System are divided into correctional institutions, work camps, community release centers, and road prisons. The classification of inmates into these different facilities takes into account the seriousness of their offenses, length of sentence, time remaining to serve, prior criminal record, escape history, prison adjustment, and other factors. The most serious offenders with the longest sentences and those least likely to adjust to institutional life are placed in more secure facilities.

Correctional Institutions. Correctional institutions are prisons with fences, razor wire or ribbon, electronic detection systems, perimeter towers with armed correctional officers and/or officers in roving perimeter vehicles. Most of these inmates do not reside in cells, but in open bay dormitories with bunk beds. Some exceptions include those confined for disciplinary or security reasons, and those on death row. These facilities are divided into seven levels of security ranging from minimum custody facilities to maximum custody facilities. About 86% of the Florida prison population is housed in a major correctional institution or annex.

Work Camps. Work camps are minimum to medium custody facilities, surrounded by fences and razor ribbon. Inmates are usually transferred to a work camp after completing part of their sentences at a correctional institution and demonstrating satisfactory adjustment. Most of these work camps are located next to correctional institutions enabling the sharing of facilities like laundry and health services. The inmates housed at these facilities may be assigned to community and public work squads. Their jobs include cleaning up roadways and rights-of-way, grounds and building maintenance, painting, building construction projects, moving state offices, and cleaning up forests. About 9% of the prison population resides in work camps.

Community Release Centers. Community release centers (“CRCs”) are facilities that house certain inmates who are within six to 36 months of their release date, depending on their assignment. FDOC operates nine male and three female CRCs in three regions throughout the State. There are four categories of community custody inmates in CRCs: (i) those inmates who are participating in community work release and work at paid employment in the community (“CWR”); (ii) those inmates who work in a support capacity for the center (“CWA”); (iii) those inmates receiving transitional services, which include substance abuse treatment/programming, educational/vocational services, self-betterment programs, and skills necessary for employment and re-entry into society prior to CWR or CWA placement, and (iv) the community-based therapeutic inmates who receive transitional services, in lieu of CWR or CWA.

Inmates participating in paid employment through CWR must submit a percentage of their net earnings to pay for the following: 55% for room and board, 10% placed in savings for their release, and, if appropriate, 10% to pay restitution, court costs, and fines, 10% for family support, and 10% for other costs as determined by FDOC and the inmate. Those inmates assigned to CWA perform such tasks as food service, maintenance of the center, or assignment to work squads. There are no perimeter fences and inmates must remain at the CRC when they are not working or attending programs outside the CRC. More than 8,000 inmates participate in CWR and CWA programs annually, with about 3.5% of the State’s prison population enrolled at any given time. CRCs are supervised by FDOC’s Office of Institutions.

Road Prisons. Road prisons house medium custody inmates and have perimeter fences. Most of these inmates work on community work squads and the highways doing road work. Their jobs also include support services to state agencies such as collecting recycling materials and moving furniture. Less than 1% of the State’s prison population is housed in road prisons.

Operations and Maintenance Contracts through FDOC under the Florida Corrections Code

Section 944.105, Florida Statutes, authorizes FDOC to enter into contracts with private vendors for the provision of the operation and maintenance of correctional facilities and the supervision of inmates. The private vendor is responsible for the daily operation and management of the facility and for providing medical, dietary, educational, and work programs, which must be at least equal to those provided by FDOC in comparable facilities. Pursuant to this authority, FDOC seeks competitive proposals from private vendors for such operation and maintenance. FDOC oversees the contracts with private vendors who provide services in such facilities.

Operation and Management Contracts Pursuant to the Correctional Privatization Act

Contracts for the operation of the Private Correctional Facilities, between the Department and private vendors, are governed by the Correctional Privatization Act and may not be entered into unless the Department determines that the private vendor has demonstrated that it has (i) the qualifications, experience, and management personnel necessary to carry out the terms of the contract; (ii) the ability to expedite the siting, design, and construction of correctional facilities; and (iii) the ability to comply with applicable laws, court orders, and national correctional standards. Additionally, the Act requires the private vendor to maintain accreditation by the ACA and to meet applicable ACA standards and all applicable court orders and state laws. In general, the Department may enter into such contracts only if it determines that the contract will result in cost savings to the State of at least seven percent over the cost of the provision of such services in a similar State Correctional Institution, as determined by FDOC and certified by the Auditor General.

Under the Operating Contracts, the competitively selected private vendors (the “Operators”) are responsible for the maintenance of the facility, including furnishings and equipment, and are required to obtain liability and hazard insurance. The Operators must provide food services, clothing and laundry service, limited health services, education, library and work programs, recreational programs, commissary, religious, phone services, and appropriate visitation programs. The Operators provide management and staff personnel from their own employees and are required to provide training programs in compliance with ACA standards, State laws, and FDOC rules. The Operating Contracts may be terminated by the Department for specific defaults, for convenience, or in the event funds are unavailable due to non-appropriations. The Department’s Bureau of Private Prison Monitoring is responsible for the oversight of and ensuring private vendors comply with the terms of such contracts.

The Operating Contracts specify the maximum (100% of capacity) and minimum (90% of capacity) number of inmates which the FDOC may transfer to a facility. The number of inmates with special health care needs is limited. Operators are compensated for operating costs based upon an agreed per diem per inmate, which is based upon the number of inmates, subject to a guaranteed minimum of 90% of design capacity. Per diem rates are tiered: up to 90% of design capacity is subject to a base rate, additional inmates are at a significantly reduced rate up to 100% of design capacity. The per diem may be adjusted to reflect increased costs due to changes in ACA standards; FDOC or Department policies, procedures, rules or bulletins; or laws. The following table sets forth the current and historical per diem rates, including the per diem base rate guaranteed to the Operator, as well as the additional per diem the Operator is entitled to per inmate over 90% of design capacity up to 100% of design capacity for each Private Correctional Facility, each of which is a Project under the Master Lease Agreement.

Historical Operating Per Diem Rates

Facility	Operator ¹	Per Diem Base Rate (Up to 90% Capacity)					Additional Per Diem (Per Inmate, Over 90% Capacity)				
		Fiscal Year					Fiscal Year				
		2017	2018	2019	2020	2021	2017	2018	2019	2020	2021
Bay	GEO	\$48.53	\$48.53	\$48.53	\$50.46	\$50.46	\$3.52	\$3.52	\$3.52	\$3.52	\$3.52
Blackwater River	GEO	45.89	45.89	45.89	47.02	47.02	7.50	7.50	7.50	7.50	7.50
Gadsden	MTC	47.60	47.60	47.60	51.68	51.68	3.08	3.08	3.08	6.87	6.87
Graceville	GEO	41.37	41.37	41.37	42.78	42.78	5.87	5.87	5.87	5.87	5.87
Moore Haven	GEO	48.18	48.18	48.18	49.72	49.72	3.65	3.65	3.65	3.65	3.65
Lake City	Corecivic	63.10	63.10	63.10	64.80	64.80	10.37	10.37	10.37	10.37	10.37
South Bay	GEO	48.85	48.85	48.85	50.03	50.03	7.00	7.00	7.00	7.00	7.00

¹ Corecivic refers to Corecivic (formerly, Corrections Corporation of America), a Maryland corporation, specializing in owning, operating and managing prison facilities. GEO refers to The GEO Group, Inc., a Florida corporation, providing correctional management services to governments. MTC refers to Management and Training Corporation, a Utah corporation, specializing in owning, operating and managing prison facilities.

Correctional Facility Construction

Pursuant to the Correctional Privatization Act, the Department is authorized to provide lease-purchase financing for construction of State Correctional Institutions and Private Correctional Facilities. The Correctional Privatization Act requires that each Project undertaken by the Department be specifically approved by the State Legislature. Additionally, the Florida Correctional Code authorizes FDOC to enter into lease-purchase agreements, subject to specific legislative authorization for such an agreement and an accompanying specific appropriation in Section 944.10, Florida Statutes. Proposed facilities must meet the applicable standards of the ACA and the requirements of all applicable court orders and state laws.

State Correctional Institution Construction. FDOC constructs correctional facilities pursuant to specific statutory and departmental guidelines. The construction process includes site selection, site design, building design, and actual construction. Site selection factors include size, location, purchase and construction costs, road access, zoning, environmental issues, and availability of utilities. Acquisition of a site, whether purchased or donated, must be approved by the Board of Trustees of the Internal Improvement Trust Fund, which holds title to all State lands. Site design is performed by an engineering firm selected by a competitive process, as provided by statute, and includes a site master plan, schematic designs, design development and preparation of construction documents for FDOC. Building design may be handled by FDOC in-house using existing designs or, if a new design is required, by an architectural/engineering firm selected by a competitive process, as provided by statute, that prepares schematic designs, does design development and prepares construction documents for FDOC.

There are three different processes that may be used for the construction of a State Correctional Institution: construction by a construction manager; construction by contract; and construction by inmate labor. When the use of a construction manager is desired, FDOC must request approval from the Department to use a construction manager. Once approval from the Department is obtained, FDOC selects the construction manager using a competitive process, as provided by statute. The selection is made based on the qualifications of the construction manager. Once the construction manager is selected and the bid protest period has passed, FDOC negotiates with the construction manager to establish the construction manager's overhead and profit, the construction manager's general conditions, and the construction manager's budget. After the contract is signed and the construction schedule is determined, the construction manager bids out all of the work to subcontractors using a competitive process. It is the role of the construction manager to manage and supervise the various subcontractors. When construction is done by contract, FDOC acts as the construction manager. FDOC bids out all of the work pursuant to a competitive process set out in Chapter 255, Florida Statutes. Once the bid process is complete, FDOC manages and supervises the various subcontractors. Finally, when construction by inmate labor, FDOC still acts as the construction manager, but uses inmate labor instead of bidding out the work to private firms. This construction method is generally used for smaller construction projects. FDOC is utilizing construction by contract manager for the Series 2021A Project.

Private Correctional Facility Construction. The Department enters into contracts with private contractors for the designing, financing, acquiring, leasing, construction and operation of Private Correctional Facilities. The Department seeks competitive proposals for the design and construction of a proposed facility from private companies. Contracts for the design and construction ("Construction Contracts" or "Design Build Agreements") must require that the proposed facilities meet the applicable standards of the ACA and the requirements of all applicable court orders and state laws. As with operation and management services contracts pursuant to the Act, contracts for the construction of Private Correctional Facilities must result in a cost savings to the State of at least seven percent over the construction of a similar facility by a public entity.

THE PROJECTS UNDER THE MASTER LEASE AGREEMENT

General Overview of the Projects

The financing of the construction and equipping of the Projects under the Master Lease Agreement by various Series of Certificates are undertaken pursuant to authorization and direction given to FDOC pursuant to Chapter 944, Florida Statutes, and to the Department pursuant to the Correctional Privatization Act. The Projects under the Master Lease Agreement include both Private Correctional Facilities and State Correctional Institutions, all of which are included as part of the Florida Prison System. The capacity generated by such Projects is utilized by the FDOC. Thus, the Projects undertaken by the FDOC and the Department pursuant to the Act under the Master Lease Agreement relate importantly to the Florida Prison System described herein. There are approximately 19,000 beds in the facilities that make up the Projects currently under the Master Lease Agreement. As of June 30, 2020, approximately 19.3% of the inmate population resided in these facilities.

The Department currently has seven Private Correctional Facilities, all of which are correctional institutions, and 17 State Correctional Facilities, the acquisition, construction, or expansion of which have been financed or refinanced through the issuance of Certificates of Participation evidencing fractional undivided interest of the Owners thereof in Basic Rent Payments under the Master Lease Agreement. Information on all of the correctional facilities which make up the Projects financed under the Master Lease Agreement are presented in the following table.

Florida Prison System Facilities under the Master Lease Agreement

Private Correctional Facilities

<u>Facility</u>	<u>Security Level</u>	<u>Operator¹</u>	<u>Beds</u>
Bay Correctional Facility	Medium	GEO	985
Blackwater River Correctional Facility	Medium & Close	GEO	2,000
Gadsden Correctional Facility	Medium	MTC	1,544
Graceville Correctional Facility	Medium & Close	GEO	1,884
Lake City Correctional Facility	Medium & Close	Corecivic	893
Moore Haven Correctional Facility	Medium	GEO	985
South Bay Correctional Facility	Medium & Close	GEO	1,948
Total Beds:			<u>10,239</u>

State Correctional Institutions

<u>Facility</u>	<u>Security Level</u>	<u>Operator</u>	<u>Beds</u>
Baker Re-entry Center	Minimum/Medium	FDOC	432
Cross City Work Camp	Minimum/Medium	FDOC	432
Everglades Re-entry Center	Minimum/Medium	FDOC	432
Franklin Work Camp	Minimum/Medium	FDOC	432
Gadsden Re-Entry Center	Minimum/Medium	FDOC	432
Hollywood Community Release Center	Minimum	FDOC	156
Kissimmee Community Release Center	Minimum	FDOC	156
Lake City Community Release Center	Minimum	FDOC	156
Lancaster Secure Housing Unit	Medium	FDOC	240
Liberty Work Camp	Minimum/Medium	FDOC	432
Lowell Reception Center	Medium/Close	FDOC	1,307
Mayo Correctional Institute-Annex	Medium/Close	FDOC	1,345
Okeechobee Work Camp	Minimum/Medium	FDOC	444
Santa Fe Community Release Center	Minimum	FDOC	156
Santa Rosa Work Camp	Minimum/Medium	FDOC	432
Suwannee Correctional Institute-Annex	Medium/Close	FDOC	1,346
Union Work Camp	Minimum/Medium	FDOC	432
Total Beds:			<u>8,762</u>

Source: State of Florida Department of Corrections.

¹ Corecivic refers to Corecivic (formerly, Corrections Corporation of America, a Maryland corporation, specializing in owning, operating and managing prison facilities. GEO refers to The GEO Group, Inc., a Florida corporation, providing correctional management services to governments. MTC refers to Management and Training Corporation, a Utah corporation, specializing in owning, operating and managing prison facilities.

Historical Inmate Population Statistics

FDOC transfers inmates to each Private Correctional Facility from other correctional or short-term detention facilities. The Act requires that the FDOC transfer inmates sufficient to maintain the inmate population at 90% of design capacity. Although releases, medical transfers out or other events may cause the inmate population to temporarily drop below the 90% standard, the occupancy level has historically averaged above 90% for the adult facilities. The following table sets forth the inmate population for each Private Correctional Facility and State Correctional Institution financed or refinanced through the issuance of Certificates for the Fiscal Years 2016 through 2020. The average number of inmates and percent occupied are derived from FDOC's monthly budget reports.

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Occupancy Rates for the Facilities under the Master Agreement

	Current Maximum Capacity					Average Inmate Population					Percent Capacity ¹				
	<u>Fiscal Year</u>					<u>Fiscal Year</u>					<u>Fiscal Year</u>				
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<u>Private Correctional Facilities</u>															
Bay Correctional Facility ²	985	985	985	985	985	974	972	966	696	957	98.9%	98.7%	98.1%	70.7%	97.2%
Moore Haven Correctional Facility	985	985	985	985	985	978	975	961	977	951	99.3	99.0	97.6	99.2	96.5
South Bay Correctional Facility	1,948	1,948	1,948	1,948	1,948	1,937	1,937	1,924	1,936	1,913	99.4	99.4	98.8	99.4	98.2
Graceville Correctional Facility	1,884	1,884	1,884	1,884	1,884	1,866	1,849	1,863	1,850	1,837	99.0	98.1	98.9	98.2	97.5
Blackwater River Correctional Facility	2,000	2,000	2,000	2,000	2,000	1,987	1,981	1,970	1,975	1,944	99.4	99.1	98.5	98.8	97.2
Gadsden Correctional Facility ³	1,544	1,544	1,250	1,250	1,250	1,530	1,531	1,178	1,238	1,225	99.1	99.2	94.2	99.0	98.0
Lake City Correctional Facility	893	893	893	894	893	884	881	880	878	876	99.0	98.7	98.5	98.2	98.1
<u>State Correctional Facilities</u>															
Mayo Correctional Institute-Annex ⁴	1,345	1,345	1,345	1,345	1,345	1,316	1,162	1,097	998	1,335	97.8%	86.4%	81.6%	74.2%	99.3%
Suwannee Correctional Institute-Annex ⁵	1,346	1,346	1,346	1,346	1,346	1,312	1,194	938	775	788	97.5	88.7	69.7	57.6	58.5
Florida Women's Reception Center ⁶	1,160	1,307	1,307	1,307	1,307	992	1,068	1,273	1,034	946	85.5	81.7	97.4	79.1	72.4
Lancaster Secure Housing Unit	238	238	238	238	238	167	182	189	194	194	70.2	76.5	79.4	81.5	81.5
Okeechobee Work Camp	444	444	444	444	444	415	441	428	424	423	93.5	99.3	96.4	95.5	95.3
Liberty South Unit	432	432	432	432	432	407	422	414	421	383	94.2	97.7	95.8	97.5	88.7
Santa Rosa Work Camp	432	432	432	432	432	354	395	403	388	402	81.9	91.4	93.3	89.8	93.1
Franklin Work Camp ⁵	432	432	432	432	432	385	402	274	270	271	89.1	93.1	63.4	62.5	62.7
Cross City Work Camp	432	432	432	432	432	396	391	378	399	276	91.7	90.5	87.5	92.4	63.9
New River Work Camp	432	432	432	432	432	409	411	407	412	414	94.7	95.1	94.2	95.4	95.8
Hollywood Work Release Center	144	156	156	156	156	147	133	152	152	141	102.1	85.3	97.4	97.4	90.4
Kissimmee Work Release Center	150	150	156	156	156	148	145	147	146	140	98.7	96.7	94.2	93.6	89.7
Bridges of Lake City	156	156	156	156	156	149	151	145	148	143	95.5	96.8	92.9	94.9	91.7
Bridges of Santa Fe	156	156	156	156	156	150	150	145	148	143	96.2	96.2	92.9	94.9	91.7
Everglades Re-entry Center	432	432	432	432	432	412	394	400	404	399	95.4	91.2	92.6	93.5	92.4
Baker Re-entry Center	432	432	432	432	432	413	404	412	412	396	95.6	93.5	95.4	95.4	91.7
Gadsden Re-Entry Center	432	432	432	432	432	402	399	415	417	407	93.1	92.4	96.1	96.5	94.2

Source: State of Florida Department of Management Services and State of Florida Department of Corrections.

¹ Percent capacity at Private Correctional Facilities is based on contractually established capacity. Percent capacity at State Correctional Institutions is based on total capacity.

² Population was temporarily reduced at Bay Correctional Facility in Fiscal Year 2019 to allow for repairs to be made as a result of Hurricane damage.

³ Capacity was contractually reduced at Gadsden Correctional Facility from 1,544 to 1,250 in Fiscal Year 2018.

⁴ There was a planned population reduction at the Mayo Correctional Institute Annex in Fiscal Year 2019.

⁵ Population decreases in Fiscal Years 2018 through 2020 are a result of FDOC closing a dormitory due to staffing shortages.

⁶ Population decreases at Florida Women's Reception Center in Fiscal Years 2019 and 2020 are a result of FDOC closing a housing unit pending conversion as part of the Department's Mental Health Expansion program.

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HISTORICAL APPROPRIATIONS

Operating and debt service funds are appropriated to the Department in the budgets of the Department and the FDOC. The amounts shown below for the Department reflect only the appropriations and budget for the Bureau of Private Prison Monitoring, which is the section of the Department responsible for operating the Private Correctional Facilities leased under the Master Lease Agreement. The amounts shown below for FDOC relate to the appropriations and budget for the entire FDOC, which reflect total costs to operate the State Correctional Institutions under the Master Lease Agreement. The following table summarizes the appropriations and budget for Fiscal Years 2017 through 2021. These amounts have not been audited.

Historical Appropriations for the Projects under the Master Lease Agreement

	Fiscal Year Ending June 30,				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Department of Management Services					
Number of Positions	14	15	15	15	15
Salaries	\$1,002,123	\$1,019,678	\$1,039,549	\$1,056,059	\$1,067,957
Salaries – Trust Fund	-	93,987	95,818	97,409	98,507
Other Personal Services	15,200	15,200	-	-	-
Special Category	76,046	76,046	91,246	91,246	91,246
Special Category – Trust Fund	-	18,221	14,175	14,175	14,175
Operating Capital Outlay	3,890	3,890	3,890	3,890	3,890
Contracted Services	13,056	11,556	11,556	11,556	11,556
Risk Management Insurance	1,950	7,333	3,069	3,597	3,385
Contracted Legal Services	23,169	23,169	23,169	23,169	23,169
Administrative Overhead	113,489	113,489	113,489	113,489	113,489
Private Prison Maintenance and Repair – Trust Fund	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Human Resource Services	4,738	4,516	4,498	4,521	4,473
Human Resource Services – Trust Fund	397	387	385	387	383
Data Processing Services	7,077	9,056	9,053	6,715	5,471
Fixed Capital Outlay	-	-	-	3,807,060	3,355,081
Fixed Capital Outlay – Trust Fund	-	1,131,489	3,918,846	2,100,000	1,500,000
Lease or Lease Purchase of Equipment	<u>1,267</u>	<u>2,767</u>	<u>2,767</u>	<u>2,767</u>	<u>2,767</u>
Total Department Budget for the Projects	\$2,762,402	\$4,030,784	\$6,831,510	\$8,836,040	7,795,549
Department of Corrections					
Special Category – Private Institutions – CPC ¹	\$162,246,569	\$164,879,147	\$168,879,147	\$169,519,197	\$162,787,375
Privately Operated Institutions Inmate Welfare Trust Funds	2,093,348	2,093,348	2,093,348	2,093,348	5,355,028
Special Category – Private Prison Operations	-	-	7,000,000	-	-
Fixed Capital Outlay – CPC Lease ²	25,359,142	24,231,304	23,560,592	20,353,501	20,356,502
Fixed Capital Outlay – FDOC Lease ³	<u>30,195,280</u>	<u>29,933,077</u>	<u>29,653,050</u>	<u>20,622,875</u>	<u>20,600,000</u>
Total FDOC Budget for the Projects	\$219,894,339	\$221,136,876	\$231,186,137	\$212,588,921	\$209,098,608
Department of Juvenile Justice Facility⁴					
Fixed Capital Outlay – CPC Lease	<u>\$1,532,000</u>	<u>\$1,435,750</u>	-	-	-
Total DJJ Budget for the Projects	\$1,532,000	\$1,435,750	-	-	-
Total Budgets for the Projects	<u>\$224,188,741</u>	<u>\$226,603,410</u>	<u>\$238,017,647</u>	<u>\$221,424,961</u>	<u>\$216,894,157</u>
Sources of Appropriations for the Projects					
General Revenue Fund	\$222,095,393	\$224,510,062	\$235,924,299	\$219,331,613	\$211,539,129
Private Inmate Welfare Trust Fund	<u>2,093,348</u>	<u>2,093,348</u>	<u>2,093,348</u>	<u>2,093,348</u>	<u>5,355,028</u>
Total Appropriations for the Projects	<u>\$224,188,741</u>	<u>\$226,603,410</u>	<u>\$238,017,647</u>	<u>\$221,424,961</u>	<u>\$216,894,157</u>
Total FDOC Operating Budget	\$2,403,561,502	\$2,424,414,113	\$2,551,994,940	\$2,708,459,310	\$2,733,439,648

Source: State of Florida Department of Management Services and State of Florida Department of Corrections.

¹ Payments to operate Private Correctional Facilities.

² These are the annual Rent Payments for the Private Correctional Facilities under the Master Lease Agreement that make up a portion of the principal and interest payments required for the Outstanding Certificates.

³ These are the annual Rent Payments for the State Correctional Institutions under the Master Lease Agreement that make up a portion of the principal and interest payments required for the Outstanding Certificates.

⁴ Funding for this Project is has been appropriated to FDOC since Fiscal Year 2019.

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CERTIFICATE PAYMENT SCHEDULE

The following table shows the annual payment requirements for the Outstanding Certificates, the estimated annual payment requirements for the Series 2021A Certificates, and the estimated total debt service subsequent to the issuance of the Series 2021A Certificates.

Fiscal Year Ending June 30	Outstanding Certificates	Series 2021A Certificates¹			Estimated Total Debt Service¹
		<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2021	\$40,925,000	-	-	-	
2022	40,898,375				
2023	41,690,750				
2024	41,691,750				
2025	41,638,125				
2026	41,601,750				
2027	30,530,875				
2028	30,466,250				
2029	28,865,625				
2030	20,310,375				
2031	-				
2032	-				
2033	-				
2034	-				
2035	-				
2036	-				
2037	-				
2038	-				
2039	-				
2040	-				
TOTAL:					

¹ Preliminary, subject to change.

RECENT STATE FINANCIAL DEVELOPMENTS

COVID-19

The economic, financial and budgetary impacts on the State and its economy from the measures taken to combat the spread of COVID-19 are expected to be significant but manageable.

State Actions – In response to the public health crisis created by the strain of coronavirus which causes the Coronavirus Disease 2019 (“COVID-19”), the Governor of the State of Florida declared a state of emergency on March 9, 2020. The declaration allows for certain executive actions to respond to the impacts of COVID-19, including granting broad spending authority to meet the State’s financial needs during the pandemic. The Governor subsequently issued numerous additional executive orders in response to COVID-19 in an effort to reduce community spread of the virus and protect Florida’s most vulnerable citizens. Those measures included, among others, closing or restricting access to certain businesses and activities and limiting movement of persons in Florida through April 30, 2020, to those necessary to obtain or provide essential services or conduct essential activities.

During the week of April 20, 2020, the Governor convened the Re-Open Florida Task Force to evaluate how to safely reopen the State. In response to the recommendations published by the task force, the Governor issued an executive order, effective May 4, 2020, to begin reopening the State through a multi-step, three-phased process of easing restrictions after considering medical data in consultation with state health officials. On May 14, 2020, the Governor issued an executive order which brought all Florida counties into Phase 1 allowing for limited reopening of businesses and activities statewide. All Florida counties, excluding Broward, Miami-Dade and Palm Beach, were brought into Phase 2 on June 3, 2020, in accordance with an executive order, which further relaxed business capacity restrictions. On June 26, 2020, the State suspended the sale of alcoholic beverages for on-premises consumption at all bars statewide following an increase in COVID-19 cases. On September 4, 2020, and September 15, 2020, the Governor issued executive orders moving Palm Beach, Broward and Miami-Dade counties into Phase 2 of reopening, bringing all 67 counties into Phase 2. On September 14, 2020, bars were permitted to open for on-premises consumption in compliance with Phase 2 of the State’s reopening plan. On September 25, 2020, the Governor issued an executive order which brought all Florida counties into Phase 3 and removed the remaining restrictions on businesses and

activities statewide, with the exception that indoor restaurant capacity may be limited to 50% capacity by a local government order under certain circumstances.

Federal Actions – On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) was signed into law by the President, with the State receiving an allocation of Coronavirus Relief Funds (“CRF”) totaling \$5.9 billion (State allocation of \$4.6 billion plus an additional \$1.3 billion for local governments not qualified to receive direct federal support). There are federal restrictions on the use of these funds and the State has developed a process to track COVID-19 expenditures and expects that it will satisfy various conditions such that all CRF moneys are fully utilized for qualified COVID-19 expenditures. The State has reported to the federal government the full amount of \$5.9 billion of eligible COVID-19 related expenditures, including the distributions to local governments in the State.

Additional federal support has been made available to the State through an adjustment to the Federal Medical Assistance Percentage (“FMAP”) applicable to Medicaid funding, and reimbursement of 75% of the State’s eligible COVID-19 costs by the Federal Emergency Management Agency (“FEMA”) pursuant to the Stafford Act. The temporary increase of the FMAP reimbursement rate to the State by 6.2% to 67.7%, effective January 1, 2020, resulted in budgetary savings of \$592.3 million during Fiscal Year 2020 and an estimated \$411.7 million during Fiscal Year 2020-21. There may be further federal legislation that provides additional financial assistance to the State, but no assurance can be provided regarding future federal programs or funding.

The information below for Fiscal Years 2020 and 2021 includes economic and fiscal impacts of the State’s actions in response to the public health crisis caused by COVID-19 and known impacts on the State’s financial position.

Fiscal Year 2020

Budget and Revenues – The Fiscal Year 2020 budget totaled \$91.0 billion, an increase of approximately \$1.7 billion, or 1.9%, over the Fiscal Year 2019 budget of \$89.3 billion. The General Fund budget totaled approximately \$33.9 billion and was to be funded primarily from general revenue collections and \$336.5 million in trust fund transfers.

The COVID-19 pandemic-induced economic contraction resulted in general revenue collections declining by approximately \$2.0 billion or 6.1%, from the prior fiscal year to \$31.4 billion. The majority of the decline was attributable to sales tax collections, which decreased by \$794 million, driven primarily by a decline in tourism and recreation. In addition to the revenue shortfalls outlined above, the State’s budget was impacted by the cost of responding to COVID-19. Budget amendments resulting in approximately \$510.8 million of net general revenue costs related to the State’s emergency response to COVID-19 were added to the Fiscal Year 2020 spending plan. The State anticipates that much of these expenditures will be reimbursed by the federal government.

Reserves – The State experienced a decline in General Fund reserves of approximately \$1.7 billion during Fiscal Year 2020, from a beginning balance of approximately \$2.5 billion to an estimated ending balance of unspent general revenue of approximately \$815 million at June 30, 2020. Additional estimated State reserves as of June 30, 2020, included \$1.6 billion in the Budget Stabilization Fund, \$877 million in the Lawton Chiles Endowment Fund, and approximately \$2.3 billion of various excess trust fund balances. Total estimated reserves at June 30, 2020, were approximately \$5.6 billion (17.7% of Fiscal Year 2020 general revenue collections). Additionally, \$5.5 billion of CRF moneys (including approximately \$931 million that was subsequently distributed to local governments) were on deposit with the State at June 30, 2020, and available for expenditures related to responding to COVID-19.

Fiscal Year 2021

Budget and Revenues – On June 29, 2020, the Governor finalized the Fiscal Year 2021 budget by signing the General Appropriations Act (“GAA”) after making line-item vetoes totaling more than \$1 billion, including \$488 million of general revenue spending. The historically significant amount of vetoes were made to address potential revenue shortfalls precipitated by measures taken to slow the spread of COVID-19 which were not known at the time the Legislature adopted the GAA on March 19, 2020. After the Governor’s vetoes, the Fiscal Year 2021 budget totals \$92.3 billion, which is \$1.3 billion, or 1.4%, more than the Fiscal Year 2020 budget of \$91.0 billion. The General Fund budget totals approximately \$34.8 billion, anticipated to be funded primarily from general revenue collections. The State anticipates ongoing unbudgeted expenditures related to responding to COVID-19, a portion of which will be eligible for FEMA reimbursement.

Subsequent to the adoption of the Fiscal Year 2021 budget, the State’s Consensus Revenue Estimating Conference met on August 14, 2020, and made substantial adjustments to general revenue projections reflecting the negative economic impacts of measures taken to slow the spread of COVID-19. Projected general revenues were revised downward by \$3.4 billion, or 9.9%, from the prior estimates for Fiscal Year 2021. Actual net general revenue collections for the first five months of Fiscal

Year 2021 (July 2020 through November 2020) were approximately \$1 billion higher than the August 2020 projections, demonstrating significant improvement over general revenue collections during the last quarter of Fiscal Year 2020. This includes sales tax collections that were approximately \$713 million more than August 2020 estimates.

The State of Florida's Consensus Revenue Estimating Conference met again on November 21, 2020, to update general revenue projections in preparation for the upcoming legislative session scheduled to begin on March 2, 2021. The November 2020 Conference increased the projected general revenues for Fiscal Year 2020-21 by approximately \$1.5 billion, or 4.8%, to \$32.5 billion, which is \$1.1 billion above Fiscal Year 2020 actual general revenue collections. The largest adjustments in the new November 2020 forecast for Fiscal Year 2021 general revenues relate to increased projected sales tax collections, (\$807 million) corporate income taxes (\$253 million) and documentary stamp and intangibles tax collections, (\$185 million).

Actual Fiscal Year 2021 net general revenue collections of \$16.0 billion for the six-month period ended November 31, 2020, were approximately \$337 million, or 2.1%, higher than the new November 2020 estimates, and approximately \$76 million, or 0.5%, below revenues for the same period of the prior fiscal year. The increase in actual general revenue collections compared to the latest estimate was primarily driven by higher than projected sales tax and corporate income tax collections in November 2020.

In addition to maximizing the use of federal funds to address revenue declines, the Governor has implemented budgetary hold-backs of quarterly releases to state agencies, totaling more than \$750 million in Fiscal Year 2021, to provide additional financial flexibility to deal with the fiscal impacts of COVID-19. Additionally, all state agencies have been required to identify potential budget reductions of 8.5% for the current fiscal year. Depending on the depth and duration of the economic and fiscal impacts of COVID-19, at some point it may be necessary to make changes to the Fiscal Year 2021 budget. Budget adjustments require legislative actions, which could be taken during the regular session scheduled to begin March 2, 2021.

Notwithstanding the expected decrease in revenues and unanticipated expenses related to COVID-19, the State does not anticipate any difficulties with liquidity needed to fund the budget for the current fiscal year which ends June 30, 2021. The State Treasury had approximately \$24.0 billion in State funds as of November 31, 2020, available to fund State expenditures. This amount included approximately \$1.0 billion in unspent CRF moneys received by the State under the CARES Act.

Reserves – Based on the November 21, 2020 General Fund Outlook Statement, the Fiscal Year 2021 year-end General Fund balance is projected to be \$1.9 billion, approximately \$580 million higher than the projected year-end General Fund balance from the August 14, 2020 General Fund Outlook Statement. The increase in the projected General Fund balance is primarily the result of the increased November 2020 general revenue estimates along with a one-time tobacco settlement payment of approximately \$193 million, partially offset by additional COVID-19 related expenditures. The Fiscal Year 2021 budget includes a \$100 million transfer to the Budget Stabilization Fund, which increases the balance to \$1.7 billion. When including the Budget Stabilization Fund, total General Fund reserves at fiscal year-end are expected to equal approximately \$3.6 billion (11.2% of projected Fiscal Year 2021 net general revenue collections). The foregoing estimate does not include any unanticipated expenditures or budget cuts the legislature could make in Fiscal Year 2021. Fiscal Year 2021 year-end trust fund balances are currently estimated at \$3.2 billion, including \$948 million in the Lawton Chiles Endowment Fund and \$2.3 billion in various excess trust fund balances. The inclusion of the trust fund balances increases the estimated total reserves to approximately \$6.8 billion (21.1% of projected Fiscal Year 2021 net general revenue collections). Estimates are based on information available at the time they are made and are subject to revision as additional information becomes available.

It is likely that the full financial impact of COVID-19 on the State, its economy, and its financial position will change, potentially significantly as circumstances and events evolve. The estimates provided above are based on information available at the time of the estimates. Such estimates are subject to revision as additional information becomes available. Also, estimates are subject to risks and uncertainties which may cause results to differ materially from those estimates set forth above. No assurance is given that actual results will not differ materially from the estimates provided above.

Fiscal Year 2022

Florida Governor Ron DeSantis released his recommended budget for Fiscal Year 2022 on January 28, 2021. The Governor's recommended budget totals \$96.6 billion, an increase of approximately \$4.3 billion (4.7%) from the Fiscal Year 2021 budget of \$92.3 billion. More than half of the \$4.3 billion increase over the Fiscal Year 2021 budget is for various expenditures and impacts related to the COVID-19 pandemic. The Governor's recommended budget will be considered as the Florida Legislature formulates the State budget during the 2021 regular session, which begins on March 2, 2021. More information regarding the Governor's recommended budget can be found at www.floridaleadsbudget.com.

PROVISIONS OF STATE LAW

Negotiability

The Series 2021A Certificates will have all the qualities and incidents of negotiable instruments under the Uniform Commercial Code – Investment Securities Law of the State.

TAX MATTERS

General

The Internal Revenue Code of 1986, as amended (the “Code”) establishes certain requirements which must be met subsequent to the issuance of the Series 2021A Certificates in order that component of the Basic Rent Payments designated and paid as interest to the Owners on the Series 2021A Certificates be and remain excluded from gross income for purposes of Federal income taxation. Non-compliance may cause the component of the Basic Rent Payments designated and paid as interest to the Owners of the Series 2021A Certificates to be included in federal gross income retroactive to the date of issuance of the Series 2021A Certificates, regardless of the date on which such non-compliance occurs or is ascertained. These requirements include, but are not limited to, provisions which prescribe yield and other limits within which the proceeds of the Series 2021A Certificates and the other amounts are to be invested and require that certain investment earnings on the foregoing must be rebated on a periodic basis to the Treasury Department of the United States. The Department has covenanted in the Master Lease Agreement to take the actions required by the Code in order to maintain the exclusion from federal gross income of the component of the Basic Rent Payments designated and paid as interest to the Owners of the Series 2021A Certificates.

In the opinion of Special Counsel, assuming continuing compliance by the Department with the aforementioned covenants, under existing laws, regulations, judicial decisions and rulings, the component of the Basic Rent Payments designated and paid as interest to the Owners of the Series 2021A Certificates is excluded from gross income of the holders thereof for purposes of federal income taxation and is not an item of tax preference for purposes of the federal alternative minimum tax. The Series 2021A Certificates and the income thereon are not subject to any tax under the laws of the State of Florida except estate taxes imposed by Chapter 198, Florida Statutes, as amended, and net income and franchise taxes imposed by Chapter 220, Florida Statutes, as amended. However, no opinion is expressed with respect to the federal income tax consequences of any payments received or to be received with respect to the Series 2021A Certificates following termination of the Master Lease Agreement as a result of an Event of Non-Appropriation or the occurrence of an Event of Lease Default thereunder.

Except as described above, Special Counsel will express no opinion regarding the federal income tax or state or local tax consequences resulting from the ownership of, receipt or accrual of the component of the Basic Rent Payments designated and paid as interest to the Owners of the Series 2021A Certificates, or the ownership or disposition of the Series 2021A Certificates. Prospective purchasers of the Series 2021A Certificates should be aware that the ownership of Certificates may result in collateral federal tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry Series 2021A Certificates, (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by fifteen percent (15%) of certain items, including the component of the Basic Rent Payments designated and paid as interest to the Owners of the Series 2021A Certificates, (iii) the inclusion of the component of the Basic Rent Payments designated and paid as interest to the Owners of the Series 2021A Certificates in the earnings of certain foreign corporations doing business in the United States for purposes of the branch profits tax, (iv) the inclusion of the component of the Basic Rent Payments designated and paid as interest to the Owners of the Series 2021A Certificates in passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year and (v) the inclusion in gross income of the component of the Basic Rent Payments designated and paid as interest to the Owners of the Series 2018 Certificates in “modified adjusted gross income” by recipients of certain Social Security and Railroad Retirement benefits for the purposes of determining whether such benefits are included in gross income for federal income tax purposes.

As to questions of fact material to the opinions of Special Counsel, Special Counsel will rely upon representations and covenants made on behalf of the Department, certificates of appropriate officers and certificates of public officials (including certifications as to the use of proceeds of the Series 2021A Certificates and of the property financed or refinanced thereby), without undertaking to verify the same by independent investigation.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE SERIES 2021A CERTIFICATES AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE HOLDERS OF THE SERIES 2021A CERTIFICATES, INCLUDING,

BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE HOLDERS OF THE TAX-EXEMPT SERIES 2021A CERTIFICATES SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

Information Reporting and Backup Withholding

Interest paid on tax-exempt bonds such as the Series 2021A Certificates is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Series 2021A Certificates from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Series 2021A Certificates, under certain circumstances, to “backup withholding” at the rate specified in the Code with respect to payments on the Series 2021A Certificates and proceeds from the sale of Series 2021A Certificates. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Series 2021A Certificates. This withholding generally applies if the owner of Series 2021A Certificates (i) fails to furnish the payor such owner's social security number or other taxpayer identification number (“TIN”), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other “reportable payments” as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Series 2021A Certificates may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

Other Tax Matters Relating to the Series 2021A Certificates

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Series 2021A Certificates. In some cases, these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the Series 2021A Certificates. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Series 2021A Certificates and their market value. No assurance can be given that legislative proposals will not be enacted that would apply to, or have an adverse effect upon, the Series 2021A Certificates. For example, in connection with federal deficit reduction, job creation and tax law reform efforts, proposals have been and others are likely to be made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Series 2021A Certificates. There can be no assurance that any such legislation or proposal will be enacted, and if enacted, what form it may take. The introduction or enactment of any such legislative proposals may affect, perhaps significantly, the market price for, or marketability of, the Series 2021A Certificates.

Prospective purchasers of the Series 2021A Certificates should consult their own tax advisors as to the tax consequences of owning the Series 2021A Certificates in their particular state or local jurisdiction and regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Special Counsel expresses no opinion.

Tax Treatment of Original Issue Discount for the Series 2021A Certificates

Under the Code, the difference between the maturity amount of the Series 2021A Certificates maturing on November 1, 20__ through and including November 1, 20__ (the “Discount Certificates”), and the initial offering price to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers, at which price a substantial amount of the Discount Certificates of the same maturity and, if applicable, interest rate was sold is “original issue discount.” Original issue discount will accrue over the term of the Discount Certificates at a constant interest rate compounded periodically. A purchaser who acquires the Discount Certificates in the initial offering at a price equal to the initial offering price thereof to the public will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes equal to the original issue discount accruing during the period he or she holds the Discount Certificates, and will increase his or her adjusted basis in the Discount Certificates by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or disposition of the Discount Certificates. The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of the Discount Certificates which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those above. Holders of the Discount Certificates should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, redemption or other disposition of the Discount Certificates and with respect to the state and local tax consequences of owning and disposing of the Discount Certificates.

Tax Treatment of Certificate Premium for the Series 2021A Certificates

The difference between the principal amount of the Series 2021A Certificates maturing on November 1, 20__ through and including November 1, 20__ (the “Premium Certificates”), and the initial offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such Premium Certificates of the same maturity and, if applicable, interest rate was sold constitutes to an initial purchaser amortizable bond premium which is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each of the Premium Certificates, which ends on the earlier of the maturity or call date for each of the Premium Certificates which minimizes the yield on such Premium Certificates to the purchaser. For purposes of determining gain or loss on the sale or other disposition of a Premium Certificate, an initial purchaser who acquires such obligation in the initial offering price is required to decrease such purchaser’s adjusted basis in such Premium Certificate annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Premium Certificates. Holders of the Premium Certificates are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium Certificates.

THE TRUSTEE

U.S. Bank National Association is Trustee under the Master Trust Indenture. The Trustee’s office is located at 225 Water Street, Suite 700, Jacksonville, Florida 32202.

MISCELLANEOUS

Investment of Funds

Proceeds of the Series 2021A Certificates will be deposited with the Trustee in the Series 2021A Acquisition Account and the Series 2021A Cost of Issuance Account in the Project Fund, created pursuant to the Master Trust Indenture. See “PURPOSE OF THE ISSUE – Estimated Sources and Uses of Funds.” Basic Rent Payments of the Department will be deposited with the Trustee in an account in the Rent Payment Fund as described above under the heading “SECURITY FOR THE SERIES 2021A CERTIFICATES – Flow of Funds.” Amounts deposited in these funds and accounts will be invested by the Trustee at the direction of the Department in Qualified Investments as provided in the Series 2021A Supplemental Trust Indenture.

Bond Ratings

Fitch Ratings, Moody’s Investors Service and Standard & Poor’s Global Ratings (herein referred to collectively as “Rating Agencies”), have assigned their municipal bond ratings of ___, ___ and ___, respectively, to the Series 2021A Certificates. Such ratings reflect only the respective views of such Rating Agencies at the time such ratings were issued, and an explanation of the significance of such ratings may be obtained from any of the respective rating agencies.

The State furnished to such Rating Agencies certain information and material in respect to the State and the Series 2021A Certificates. Generally, Rating Agencies base their ratings on such information and materials and on investigations, studies and assumptions made by the Rating Agencies. There is no assurance that such ratings will be maintained for any given period of time or that they may not be lowered, suspended or withdrawn entirely by the Rating Agencies, or any of them, if in their or its judgment, circumstances warrant. Any such downward change in, suspension of or withdrawal of such ratings may have an adverse effect on the market price of the Series 2021A Certificates.

Information Technology Security

Similar to other large organizations, the State relies on electronic systems and information technologies (“IT”) to conduct operations. Protecting the State’s IT infrastructure and data is essential to delivering government services.

The State maintains a security posture designed to protect its data and deter attacks on its IT infrastructure and respond to such attacks to minimize their impact on operations. The State has historically maintained reserve funds and a liquidity position that provide the ability to respond to potential attacks. In 2019, the Legislature reorganized and transferred the Agency for State Technology into the newly-created Division of State Technology within the Department. The Division of State Technology’s directives are to establish standards and processes for IT security consistent with generally accepted best practices, adopt rules for IT security develop and annually update a statewide IT security strategic plan, develop a framework for use by state agencies for IT security responsibilities such as conducting IT security risk assessments and reporting IT

security incidents, provide IT security training for state agency information security managers, and annually review state agency IT security plans. State agencies are required to annually review and consider upgrades to computing and software applications, with a preference for cloud computing and software solutions. In addition, in 2019, the Legislature created the Florida Cybersecurity Task Force, administratively supported by DMS, to review and provide recommendations for the improvement of the State's cybersecurity infrastructure, governance, and operations. The membership of the task force is controlled by Florida law and consists of nine individuals that serve in various roles in state government, including the Lieutenant Governor as Chair of the task force, plus members of the private sector appointed by the Governor. The task force is required to meet at least quarterly and submitted a final report of its findings and recommendations to the Executive Office of the Governor, the President of the Senate, and the Speaker of the House of Representatives by February 1, 2021.

Despite the State's robust cybersecurity policies and procedures designed to protect their data and IT infrastructure, no assurance is given that the State's security measures will prevent cyber-attacks, nor can any assurance be given that any cyber-attacks, if successful, will not have a material impact on State operations.

Environmental Risk Factors

With more than 2,000 linear miles of coastline, Florida's weather and natural resources affect its economy in a variety of ways. Economic activity attributable to in-migration and tourism represents a significant part of the State's economy, and the State's warm weather and beaches are responsible for attracting seasonal and permanent residents and tourists to the State. Because of the State's reliance on its natural resources to generate business and sustain in-migration, its economy and financial condition may be vulnerable to the impacts of environmental events, especially hurricanes. The State has mitigated its vulnerability to the impacts of hurricanes with a robust emergency response system, hardened infrastructure through building codes and coastal setbacks, and the establishment of the Florida Hurricane Catastrophe Fund and the Citizens Property Insurance Corporation to stabilize the property insurance market in the State. Notwithstanding multiple hurricanes, State finances and the economy have only experienced temporary economic disruption.

The State has effectively responded to past environmental events, such as multiple hurricanes and the 2010 oil spill in the Gulf of Mexico from the Deepwater Horizon oil drilling rig, and has a variety of resources available to respond to damage caused by such events. The State has financial reserves available to cover response-related expenditures, and, in most cases, the State can request reimbursement from federal relief funds to pay for a portion of such expenditures. In addition, upon a declaration of a state of emergency, Florida law provides the Governor broad spending authority to meet financial needs resulting from a disaster. The Division of Emergency Management ("DEM") was established as part of the State's structure to plan for and respond to both natural and manmade disasters. In addition to coordinating disaster response activities, DEM prepares and implements a statewide Comprehensive Emergency Management Plan and routinely conducts extensive exercises to test state and county emergency response capabilities. In January 2019, the Governor created the Office of Environmental Accountability and Transparency, led by the State's Chief Science Officer, within the Department of Environmental Protection to, in part, conduct scientific research that focuses on current and emerging environmental concerns most pressing to Floridians. In 2019, the Governor created the position of Chief Resilience Officer to work with state agencies to, in part, develop and coordinate the implementation of a comprehensive statewide resilience plan with goals designed to mitigate and adapt to the environmental challenges facing Florida's communities.

The magnitude of the impact on the State's operations, economy, or financial condition from environmental risks is indeterminate and is unpredictable for future natural disasters like hurricanes, tropical storms, and naturally-occurring phenomena like red tide. There can be no assurance that such risks will not adversely affect the operations, economy, or financial condition of the State.

Litigation

There is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body, pending or threatened against or affecting the existence of the State or the Department or which may adversely affect or which seeks to enjoin or prohibit the issuance of the Series 2021A Certificates or the use of the Funds established by the Master Trust Indenture or which in any way contests or affects the validity or enforceability of the Certificate Documents, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by this Offering Statement or the validity of the Master Lease Agreement, the Master Trust Indenture or any other agreement or instrument to which the Department is a party and which is used or contemplated for use in the transactions contemplated by this Offering Statement.

Legal Matters

Legal matters incident to the issuance of the Series 2021A Certificates and with regard to the tax-exempt status of the Interest Portion (see “TAX MATTERS” herein) are subject to the legal opinion of Bryant Miller Olive P.A., Tallahassee, Florida, whose legal services as Special Counsel have been retained by the Corporation. The signed legal opinion, dated and premised on law in effect as of the date of original delivery of the Series 2021A Certificates, will be delivered to the Corporation at the time of original delivery.

The proposed text of the legal opinion is set forth as Appendix D. The legal opinion to be delivered may vary from the text if necessary to reflect facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution of it by recirculation of the Offering Statement or otherwise shall create no implication that Special Counsel has reviewed or expresses any opinion concerning any of the matters referred to in the opinion subsequent to its date.

Continuing Disclosure

The Department has covenanted and undertaken for the benefit of the Owners of the Series 2021A Certificates to provide certain financial information and operating data relating to the Department and the Series 2021A Certificates in each year (the “Annual Report”), and to provide notices of the occurrence of certain enumerated material events. Such covenant shall only apply so long as the Series 2021A Certificates remain Outstanding under the Master Trust Indenture. The covenant shall also terminate upon (1) the termination of the continuing disclosure requirements of Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”) by legislative, judicial or administration action or (2) an Event of Non-Appropriation. The Annual Report will be transmitted to the Municipal Securities Rulemaking Board (the “MSRB”) using its Electronic Municipal Market Access System (“EMMA”). Any notice of material events will also be transmitted to the MSRB using EMMA. The specific nature of the information to be contained in the Annual Report and the notices of material events are described in Appendix E “Form of the Continuing Disclosure Agreement” attached hereto. These undertakings have been made in order to assist the Underwriters in complying with the Rule. The Continuing Disclosure Agreement shall be executed by the Department, prior to the issuance of the Series 2021A Certificates. No entity other than the Department is obligated to provide any continuing disclosure information with respect to the Series 2021A Certificates pursuant to the Rule. The Department has not failed, in the previous five years, to comply in all material respects with any prior undertakings.

Underwriting

_____ (the “Underwriter”) has agreed to purchase the Series 2021A Certificates at an aggregate purchase price of \$ _____ (which represents the par amount of the Series 2021A Certificates [plus] [minus] an original issue [premium] [discount] of \$ _____ and minus the Underwriter’s discount of \$ _____). The Underwriter may offer and sell the Series 2021A Certificates to certain dealers (including dealers depositing bonds into investment trusts, including trusts managed by the Underwriter) at prices lower than the initial offering prices. The offering prices or yields on the Series 2021A Certificates set forth on the inside front cover may be changed after the initial offering by the Underwriter.

Execution of Offering Statement

The execution and delivery of this Offering Statement has been duly authorized by the Corporation.

Exhibit E
Form of Amendment

**FIRST AMENDMENT TO
AMENDED AND RESTATED
MASTER LEASE AGREEMENT WITH
OPTION TO PURCHASE**

THIS FIRST AMENDMENT TO AMENDED AND RESTATED MASTER LEASE AGREEMENT WITH OPTION TO PURCHASE dated _____, 2021 (the “Amendment”) is hereby entered into under and pursuant to the to the Amended and Restated Master Lease Agreement with Option to Purchase, dated February 1, 2009, amending and restating a Master Lease Agreement with Option to Purchase, dated November 1, 2001 (the “Master Lease Agreement”), between by and between the FLORIDA CORRECTIONAL FINANCE CORPORATION, a not-for-profit, special purpose corporation created under the laws of the State of Florida, as Lessor (the “Corporation”), and the STATE OF FLORIDA DEPARTMENT OF MANAGEMENT SERVICES, as successor to the Correctional Privatization Commission, as Lessee (the “Department”).

RECITALS

WHEREAS, pursuant to Ch. 93-406, Laws of Florida, the Correctional Privatization Commission (the “Commission”) was created for the purpose of entering into contracts for the designing, financing, leasing, acquiring, constructing and operating of Private Correctional Facilities; and

WHEREAS, pursuant to the Act, as then in effect, and the laws of the State, the Commission, as Lessee, previously entered into a Master Lease Purchase Agreement with Option to Purchase with the Corporation, as Lessor, dated November 1, 2001 (the “Original Lease Purchase Agreement”) relating to the acquisition; and

WHEREAS, as of July 1, 2004, the Commission was abolished and the Department succeeded to all of the rights, benefits, and obligations of the Commission, including all contracts previously entered into by the Commission, including the Original Lease Purchase Agreement and all Schedules thereto and the Original Trust Indenture and all Supplemental Trust Indentures thereto; and

WHEREAS, the Department is authorized to finance the acquisition, construction, and equipping of Private Correctional Facilities and State Correctional Institutions pursuant to the Act, and pursuant to Section 255.25(1)(c), Florida Statutes, has the independent authority to approve a lease-purchase, sale-leaseback or tax-exempt leveraged lease contract or other financing technique for the acquisition, renovation or construction of a state fixed capital outlay project; and

WHEREAS, the Corporation, as Lessor, and the Department, as Lessee, entered into the Master Lease Agreement, which amended and restated, in its entirety, the Original Lease Purchase Agreement; and

WHEREAS, the Corporation, as Lessor, and the Department, as Lessee, have determined that Section 2.6 of the Amended and Restated Lease Purchase Agreement should be amended to clarify an the meaning of an “Event of Non Appropriation”; and

WHEREAS, the Corporation, as Lessor, and the Department, as Lessee, desire to execute and deliver this Amendment solely for the purpose of amending Section 2.6 of the Master Lease Agreement.

SECTION 1. Recitals. The foregoing Recitals are hereby incorporated into this Amendment as if fully set forth herein.

SECTION 2. Amendment to Section 2.6 of the Master Lease Agreement. Section 2.6 of the Master Lease Agreement is hereby amended to read as follows (deleted language is shown as ~~struckthrough~~ and added language is underlined):

2.6. Non-Appropriation.

2.6.1. Non Renewal. As provided herein, this Lease Purchase Agreement is for the Initial Lease Term ending at the termination of the Lessee's then current Fiscal Year, which term shall be automatically renewed for all the Renewal Lease Terms set forth in each Schedule hereto. Notwithstanding the foregoing, no automatic renewal shall occur if the Legislature passes a budget which does not appropriate sufficient funds (without regard to any credits from earnings on Lessee's funds) from moneys legally available for such purpose either in a line item or otherwise sufficiently identified to be used for purposes of this Lease Purchase Agreement to continue making payments beyond the end of the then current Lease Term. In the event that the Lessee's ~~final~~ budget for the ensuing Fiscal Year has not become law prior to the end of the current Fiscal Year, this Lease Purchase Agreement shall be deemed renewed pending such ~~final~~ budget becoming law until such time as the Lessee shall default in the payment of any Rent or in making any other payment hereunder, or an Event of Non Appropriation, if (1) subject to as defined in the following paragraph, shall occur, payments are due hereunder during such period, if an interim budget or extension of the prior budget makes available to the Lessee moneys which may be legally used to make the payments due hereunder during such period or (2) there are sufficient funds available in the Reserve Fund to make the payments due to the owners of all Certificates issued under the Master Trust Indenture.

In the event that despite compliance with all of the Lessee's covenants hereunder, the Legislature ~~does not~~ approves a budget which ~~so~~ does not appropriate funds for the payment of all of Lessee's obligations ~~hereunder prior to the last day of the then current Initial Lease Term or the Renewal Lease Term (or if such final budget has not been enacted by such time, prior to the last day of any extension hereof pursuant to the preceding paragraph), sufficient funds from moneys legally available for the payment of the Rent (and sufficiently identified to be used for purposes of this Lease Purchase Agreement) to be paid during any Renewal Lease Term (an "Event of Non Appropriation"), this Lease Purchase Agreement shall terminate on such last day and the~~ of the then current Initial Lease Term or Renewal Lease Term if the Event of Non Appropriation occurs prior to the end of the Fiscal Year, or on the last day of the preceding Lease Term if the Event of Non Appropriation occurs in the next ensuing Fiscal Year. The Lessee shall not be obligated to make payment of Rent accruing or arising beyond such last day. Lessee shall deliver immediate written notice to the Lessor, the Trustee and the Bond Insurer if (i) such a line item or other identification is not included in the proposed budget or (ii) such a line item or other identification is not included in the budget as adopted by the Legislature.

Any provision hereof to the contrary notwithstanding, in the event that a withdrawal from the Reserve Fund occurs for any reason, it shall not be an Event of Default or an Event of Non Appropriation so long as the Lessee makes a request for an appropriation sufficient to replenish such withdrawal in the next ensuing Fiscal Year for which such a request may be made ~~and such appropriation is a part of such budget that became law.~~ Lessee covenants to use its best efforts to request and obtain an supplemental appropriation for such amount, but failure to obtain ~~a supplemental~~ such appropriation shall not constitute an Event of Default or an Event of Non Appropriation hereunder.

SECTION 3. Remaining Provisions of Master Lease Agreement. The remaining provisions of the Master Lease Agreement not expressly amended by this Amendment shall remain in full force and effect.

SECTION 4. Effective Date. This Amendment shall be effective upon the execution and delivery hereof by the Authorized Representatives of the Corporation, as Lessor, and the Department, as Lessee, and with the written consent of U.S. Bank National Association, a national banking association authorized to exercise corporate

trust powers in the State, and authorized to accept and execute trusts of the character herein set out, as trustee (together with its successors and assigns, the "Trustee"), in accordance with Section 22 of the Master Lease Agreement.

IN WITNESS WHEREOF, the Lessee has caused this Amendment to be executed in its name by its Authorized Representatives, and the Lessor has caused this Amendment to be executed in its corporate name by its Authorized Representatives, all as of the ____ day of _____, 2021.

STATE OF FLORIDA
DEPARTMENT OF MANAGEMENT SERVICES

[SEAL]

By: _____
Name:
Title: Secretary

FLORIDA CORRECTIONAL FINANCE
CORPORATION

By: _____
Name: J. Ben Watkins, III
Title: President

ATTEST:

By: _____

Name:
Title: Secretary, Florida Correctional Finance Corporation

Trustee Consent to the Amendment dated _____, 2021.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Name: Vicki B. Bellamy
Title: Vice President

Exhibit F
Form of Notice of Sale

NOTICE OF CERTIFICATE SALE

\$ _____ *

STATE OF FLORIDA
DEPARTMENT OF MANAGEMENT SERVICES
CERTIFICATES OF PARTICIPATION
SERIES 2021A

NOTICE IS HEREBY GIVEN that the Florida Correctional Finance Corporation (hereinafter called the "Corporation") will receive bids (hereinafter referred to as "Bids") in the office of the Division of Bond Finance (acting on behalf of the Corporation), 1801 Hermitage Boulevard, Hermitage Centre, Suite 200, Tallahassee, Florida 32308 up to such date and time as may be communicated through THOMSON MUNICIPAL MARKET MONITOR ("TM3") and as otherwise provided herein (see "BIDS" for additional information) not less than 18 hours prior to the time Bids are to be opened for the purchase of the tax-exempt \$ _____ * State of Florida, Department of Management Services, Certificates of Participation, Series 2021A, Evidencing Fractional Undivided Interest of the Owners thereof in Basic Rent Payments to be Made by the State of Florida Department of Management Services, as Lessee, under an Amended and Restated Master Lease Agreement with Option to Purchase with Florida Correctional Finance Corporation, as Lessor, (the "Series 2021A Certificates"), as described more fully in the Preliminary Offering Statement prepared in connection with the issuance and sale of the Series 2021A Certificates (the "Preliminary Offering Statement").

For definitions of capitalized terms not defined in the text hereof, see the Preliminary Offering Statement.

FORM OF THE SERIES 2021A CERTIFICATES – BOOK-ENTRY ONLY

The Series 2021A Certificates will be issued as registered Certificates in book-entry only form through The Depository Trust Company, New York, New York ("DTC"), in the denomination of \$1,000 or integral multiples thereof; will be dated the date of delivery (the "Dated Date"); and will bear interest as set forth in the terms of this Notice of Certificate Sale, payable on November 1, 2021, for the period from the Dated Date to November 1, 2021, and semiannually thereafter on May 1 and November 1 of each year thereafter until maturity.

MATURITY SCHEDULE

The Series 2021A Certificates will mature on November 1 in the years specified in the attached Bid.

TERM CERTIFICATES OPTION AND MANDATORY REDEMPTION

The successful bidder on the Series 2021A Certificates has the option of specifying that all of the principal amount of Series 2021A Certificates scheduled to mature in any two or more consecutive years will, in lieu of maturing in each of such years, be considered to comprise a single maturity of Series 2021A Certificates (a "Term Certificate") scheduled to mature in the latest of such years. Any Term Certificates specified pursuant to the Term Certificate option will be subject to mandatory sinking fund prepayment redemption by lot at par, plus accrued interest, without premium in each of the years and in the principal amounts as given in the maturity schedule. The successful bidder may exercise the above option one or more times. The successful bidder must provide the Corporation with the details of its intentions regarding the designation of Term Certificates immediately after the award of the Series 2021A Certificates.

OPTIONAL REDEMPTION PROVISIONS

The Series 2021A Certificates maturing in the years 2021 through 2030, inclusive, are not subject to optional prepayment and redemption prior to their stated dates of maturity. The Series 2021A Certificates maturing in 2031 and thereafter are redeemable prior to their stated dates of maturity, without premium, at the option of the Corporation, at the Prepayment Price of the principal amount of the Series 2021A Certificates so redeemed, together with interest accrued thereon to the date of redemption. If the Series 2021A Certificates are redeemed in part, they shall be redeemed in such order of maturities as may be designated by the Corporation or, if not so designated, in the inverse order of maturities and by lot within a maturity in such manner as may be designated by the Trustee.

BASIS OF AWARD

Bids must be only for all of the Series 2021A Certificates and must be firm offers and unconditional. **The purchase price bid for the Series 2021A Certificates may include a discount not to exceed 2% of the aggregate principal amount of the Series 2021A Certificates.** No more than one Bid from any bidder will be considered.

* Preliminary, subject to change.

The Series 2021A Certificates will be awarded to the bidder offering to purchase the Series 2021A Certificates at the lowest annual interest cost rate computed on the true interest cost basis. The annual true interest cost rate will be determined by doubling the semiannual interest rate (compounded semiannually on a 30 day month and a 360 day year basis) necessary to discount the semiannual debt service payments on the Series 2021A Certificates to the price bid. **Bidders will be notified by Thomson Municipal Market Monitor of the proposed delivery date; such date will be the date from which the annual true interest cost rate will be calculated.** If two or more Bids provide the lowest annual true interest cost rate, the Corporation will determine by lot which Bid will be accepted, and such determination will be final. The Corporation reserves the right to waive any informality or irregularity in any Bid and to reject any and all Bids.

INTEREST RATES PERMITTED

The Series 2021A Certificates will bear interest expressed in multiples of 1/8 or 1/20 of 1%. No difference greater than 3% will be permitted between the highest and lowest rates of interest specified. It will not be necessary that all Series 2021A Certificates bear the same rate of interest, provided that all Series 2021A Certificates maturing on the same date must bear the same rate of interest. A rate of interest based upon the use of split or supplemental interest payments or a zero rate of interest will not be considered.

ADJUSTMENT OF PRINCIPAL AMOUNT

If, after final computation of the Bids, the Corporation determines in its sole discretion that the funds necessary to accomplish the purposes of the Series 2021A Certificates are either more or less than the proceeds of the sale of all of the Series 2021A Certificates or if restructuring the principal maturities is necessary to accomplish the purpose of the financing, the Corporation reserves the right to increase or decrease, by no more than 10%, the principal amount (as set forth in this Notice of Certificate Sale) of the Series 2021A Certificates (to be rounded to the nearest \$1,000). The amount of Series 2021A Certificates maturing in each year may be increased or decreased by more than 10% so long as the Corporation adheres to the overall 10% limitation on the amount of change to the total principal amount.

In the event of any such adjustment, no rebidding or recalculation of the Bids submitted will be required or permitted. The purchase price of the Series 2021A Certificates will be computed by taking the adjusted par amount of the Series 2021A Certificates and: (1) either subtracting the aggregate original issue discount or adding the aggregate original issue premium, as applicable, computed based on the adjusted par amounts of each maturity of the Series 2021A Certificates and the prices provided by the underwriters, and (2) subtracting the amount obtained by multiplying the per Certificate dollar amount of the underwriters' spread by the adjusted par amount of the Series 2021A Certificates. The Series 2021A Certificates of each maturity, as adjusted, will bear interest at the same rate and must have the same initial reoffering yield as specified for that maturity immediately after award of the Series 2021A Certificates by the successful bidder for the Series 2021A Certificates. However, the award will be made to the bidder whose Bid produces the lowest annual true interest cost rate, calculated as specified above, solely on the basis of the Series 2021A Certificates offered, without taking into account any adjustment made pursuant to this paragraph.

REGISTRAR/PAYING AGENT/TRUSTEE

The Registrar/Paying Agent/Trustee for the Series 2021A Certificates is U.S. Bank National Association, Jacksonville, Florida ("U.S. Bank").

BIDS

Bids for the purchase of the Series 2021A Certificates will be opened by the Corporation on a date and at a time which will be communicated by TM3. Bidders not having access to such service may request telephone notification of such date and time by calling Charlie Yadon of the Division of Bond Finance at (850) 488-4782. Because of the possibility that such date may be as early as the day after this Notice of Certificate Sale is received, potential bidders without access to TM3 are urged to request such notification immediately.

Bids may be submitted via i-Deal LLC's Parity/Bidcomp Competitive Bidding System ("PARITY®"), subject to the "ELECTRONIC BIDDING CONDITIONS" herein. Alternatively, bidders may make prior arrangements with the Division to submit Bids by mail, e-mail, messenger, or facsimile, on forms which will be furnished by the Division. Transmission of such Bids by mail, e-mail, messenger, or facsimile will only be accepted if prior arrangements have been made and must be signed by an authorized representative of the bidder. Transmission of such Bids by mail, e-mail, messenger, or facsimile will be solely at the risk of the bidder and neither the State of Florida, Florida International University, (the "University"), Division, nor any other agency or instrumentality of the State of Florida will be responsible or liable for any errors in such transmission or any failure of the Division to receive such transmission in a timely manner.

Submission of a Bid in any form permitted herein indicates acknowledgment, understanding, and acceptance of the terms and provisions of this Notice of Bond Sale and of such Bid. Submission of a Bid in electronic form further indicates acknowledgment, understanding, and acceptance of the “ELECTRONIC BIDDING CONDITIONS” herein.

A Good Faith Deposit is not required to accompany a Bid, however, the successful bidder must wire transfer a Deposit in the amount of \$_____* to the Corporation to be received no later than 2:00 p.m., Eastern Time, on the date Bids are received. In the event the Deposit is not received by such time, the Corporation reserves the right to award the Series 2021A Certificates to another bidder. No interest on the Deposit will accrue to the successful bidder. The Deposit will be applied to the purchase price of the Series 2021A Certificates. In the event the successful bidder fails to honor its accepted Bid, the Deposit will be retained by the Corporation as liquidated damages. In the event that the Corporation fails to deliver the Series 2021A Certificates to the successful bidder, the Deposit will be immediately delivered by the Corporation to the successful bidder, and neither the successful bidder, the Corporation, nor any other party will have any further obligation with respect to the Series 2021A Certificates.

The successful bidder must provide the Corporation with the public reoffering prices and/or yields of the Series 2021A Certificates with a bid on the Series 2021A Certificates.

ELECTRONIC BIDDING CONDITIONS

Bids may be submitted electronically via *PARITY*[®]. The Division retains the right to determine whether to offer the option of electronic bidding to any particular bidder. By submitting an electronic Bid via *PARITY*[®], each such bidder agrees to the following:

1. *The bidder is solely responsible for making the necessary arrangements to access the PARITY[®] service for purposes of submitting its Bid in a timely manner and in compliance with the requirements of this Notice of Bond Sale. i-Deal LLC will not have any duty or obligation to provide or assure such access to any bidder, and neither the Division nor i-Deal LLC will be responsible for the proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, the PARITY[®] service.*
2. *The Division is authorizing the use of PARITY[®] as a communications mechanism to conduct the electronic bidding for the Series 2021A Certificates; the owners of such service are not agents of the Division.*
3. *The Division is not bound by any advice and determination of i-Deal LLC to the effect that any particular Bid complies with the terms of this Notice of Bond Sale and in particular the specifications set forth in “BASIS OF AWARD” and “INTEREST RATES PERMITTED” above. All costs and expenses incurred by bidders in connection with their registration and submission of Bids via PARITY[®] are the sole responsibility of such bidders.*
4. *An electronic Bid received by the Division will, if accepted by the Division, constitute a binding contract between the bidder and the Division.*
5. *Electronic submission of a Bid is at the sole risk of the bidder; neither the State of Florida, the Corporation, the Division, nor any other agency or instrumentality of the State of Florida will be responsible or liable for any errors in such transmission or any failure of the Division to receive such transmission in a timely manner.*
6. *In case of a discrepancy between this Notice of Sale, in particular the specifications set forth in “BASIS OF AWARD” and “INTEREST RATES PERMITTED” above, and Bid Form published by the Division and similar information provided by PARITY[®], the former shall be controlling.*

MINORITY PARTICIPATION

By law (Section 287.0931, Florida Statutes), the State of Florida encourages offering not less than 20% participation to minority underwriting firms in connection with the issuance of its bonds or other tax-exempt obligations. Minority underwriting firms must have full-time employees located in Florida, a permanent place of business located in Florida, and must be at least 51% owned by minority persons (including women), who need not be Florida residents. The winning bidder for the Series 2021A Certificates will be requested to document its efforts to comply with this policy on a form provided by the Corporation. Questions concerning this policy may be addressed to the Division of Bond Finance at the above address or by calling (850) 488-4782.

* Preliminary, subject to change.

MUNICIPAL BOND INSURANCE

Bidders may not elect to insure the Series 2021A Certificates.

DELIVERY AND PAYMENT

It is anticipated that the Series 2021A Certificates in will be available for delivery to DTC in book-entry only form approximately four weeks from the date Bids for the Series 2021A Certificates are received or some other place and date to be mutually agreed upon between the successful bidder and the Corporation. Full payment of the balance of the purchase price must be made by Federal Reserve wire transfer, as directed by the Corporation, without cost to the Corporation.

CLOSING DOCUMENTS

If requested, the Corporation will furnish to the purchaser upon delivery of the Series 2021A Certificates the following closing documents in a form satisfactory to Special Counsel: (1) a signature and no-litigation certificate, (2) a certificate respecting arbitrage, (3) a certificate regarding information in the Offering Statement, (4) the approving opinion of Special Counsel, and (5) the seller's receipt as to payment. A copy of the complete transcript of the proceedings authorizing the Series 2021A Certificates will be delivered to the purchaser of the Series 2021A Certificates subsequent to the delivery of the Series 2021A Certificates. Copies of the forms of such closing papers and certificates may be obtained from the Corporation.

OFFERING STATEMENT

Upon the sale of the Series 2021A Certificates, the Corporation prepare an Offering Statement in substantially the same form as the Preliminary Offering Statement, subject to minor additions, deletions and revisions as required to complete the Preliminary Offering Statement. The Corporation deems the Preliminary Offering Statement to be "final" as described in SEC Rule 15c2-12(b)(1) for the purposes of such Rule. The Corporation does not intend to print physical copies of the Offering Statement but instead will make available to the successful bidder, no later than seven business days subsequent to the date of the award of the Series 2021A Certificates, an electronic version of the Offering Statement via the EMMA system, as defined below. Once posted, the Offering Statement may be viewed and downloaded from the EMMA website or from the Division of Bond Finance website, www.sbafla.com/bondfinance.

CUSIP NUMBERS AND DTC ELIGIBILITY

It is anticipated that CUSIP identification numbers will be printed on the Series 2021A Certificates, but neither the failure to print such number on any Series 2021A Certificates nor any error with respect thereto will constitute cause for failure or refusal by the successful bidder to accept delivery of and pay for the Series 2021A Certificates in accordance with their agreement to purchase the Series 2021A Certificates. The Corporation will obtain CUSIP numbers and will be responsible for all expenses in relation to the printing of CUSIP numbers on the Series 2021A Certificates; provided, however, that it will be the responsibility of the successful bidder to timely pay for the assignment of such CUSIP numbers.

It is anticipated that the Series 2021A Certificates will be eligible for custodial deposit with DTC; however, it will be the responsibility of the successful bidder to obtain such eligibility. Failure of the successful bidder to obtain DTC eligibility will not constitute cause for failure or refusal by the successful bidder to accept delivery of and pay for the Series 2021A Certificates in accordance with its agreement to purchase the Series 2021A Certificates.

UNDERWRITER'S CERTIFICATE

The successful bidder shall assist the Corporation in establishing the issue price of the Series 2021A Certificates and shall execute and deliver to the Corporation at closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Series 2021A Certificates. Copies of the forms of such certificate are available at www.sbafla.com/bondfinance under the caption "Bond Sales Pending" or by contacting the Division of Bond Finance.

The Corporation intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Series 2021A Certificates) will apply to the initial sale of the Series 2021A Certificates to the public (the "competitive sale requirements").

The Corporation shall take all reasonable steps that are appropriate so that the initial sale of the Series 2021A Certificates to the public will satisfy the competitive sale requirements. In the event that the competitive sale requirements are not met, **the successful bidder will not be required to "hold the price"** on any remaining unsold Series 2021A Certificates.

In the event that the competitive sale requirements are not met, the Corporation may determine to treat the first price at which 10% of a maturity of the Series 2021A Certificates (the “10% test”) is sold to the public as the issue price of that maturity, applied on a maturity-by-maturity basis. The Corporation shall request and the successful bidder shall promptly provide information showing the amount and price of each maturity of the Series 2021A Certificates sold by close of business on the date of sale in order to determine the status of each maturity in meeting the 10% test.

If the 10% test has not been satisfied as to any maturity of the Series 2021A Certificates on the date of sale, the successful bidder, on its behalf and on the behalf of any underwriter or selling group members, agrees to promptly report to the Corporation the prices at which Series 2021A Certificates of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until the 10% test has been satisfied as to the Series 2021A Certificates of that maturity or until all Series 2021A Certificates of that maturity have been sold.

CONTINUING DISCLOSURE

In order to assist bidders in complying with SEC Rule 15c2-12, the Corporation will undertake to provide, or cause to be provided, certain financial information and operating data and to provide notices of certain material events. Such financial information and operating data will be transmitted to the Municipal Securities Rulemaking Board (the “MSRB”) using its Electronic Municipal Market Access System (“EMMA”). Any notice of material events will also be transmitted to the MSRB using EMMA. The form of such undertaking is set forth in the Preliminary Official Statement as an appendix. A copy of the executed undertaking (in substantially the form set forth in such appendix) will be included in the transcript of proceedings relating to the issuance of the Series 2021A Certificates.

COPIES OF DOCUMENTS

Copies of the Preliminary Offering Statement, this Notice of Certificate Sale and the Bid form, and further information which may be desired, may be obtained from the Director, Division of Bond Finance, 1801 Hermitage Boulevard, Hermitage Centre, Suite 200, Tallahassee, Florida 32308, telephone (850) 488-4782.

FLORIDA CORRECTIONAL FINANCE CORPORATION

*THE TERMS AND CONDITIONS OF THE PRELIMINARY OFFERING STATEMENT ARE INCORPORATED BY
REFERENCE IN THIS NOTICE OF CERTIFICATE SALE*

*THE TERMS AND CONDITIONS OF THIS NOTICE OF CERTIFICATE SALE
ARE INCORPORATED BY REFERENCE IN THE BID FOR THE SERIES 2021A CERTIFICATES*

BID FORM

\$ _____ *

STATE OF FLORIDA
DEPARTMENT OF MANAGEMENT SERVICES
CERTIFICATES OF PARTICIPATION
SERIES 2021A

Florida Correctional Finance Corporation
1801 Hermitage Boulevard, Suite 200
Tallahassee, Florida 32308

Ladies and Gentlemen:

For the Series 2021A Certificates dated the date of delivery thereof, and maturing annually on November 1 in the years designated below, in the aggregate principal amount of \$ _____ * being all of the issue described in the attached Notice of Certificate Sale and hereby made a part of this Bid, we will pay you \$ _____ *, which,

less a **DISCOUNT** in the amount of \$ _____ ,

OR

plus a **PREMIUM** in the amount of \$ _____ , is our price bid.

The Series 2021A Certificates will bear interest at the rates specified below. **(Do not leave any lines blank.)**

<u>Due</u> <u>November 1</u>	<u>Principal</u> <u>Amount</u> *	<u>Interest</u> <u>Rate</u>	<u>Due</u> <u>November 1</u>	<u>Principal</u> <u>Amount</u> *	<u>Interest</u> <u>Rate</u>
2021	\$ _____	_____ %	2031	\$ _____	_____ %
2022	_____	_____ %	2032	_____	_____ %
2023	_____	_____ %	2033	_____	_____ %
2024	_____	_____ %	2034	_____	_____ %
2025	_____	_____ %	2035	_____	_____ %
2026	_____	_____ %	2036	_____	_____ %
2027	_____	_____ %	2037	_____	_____ %
2028	_____	_____ %	2038	_____	_____ %
2029	_____	_____ %	2039	_____	_____ %
2030	_____	_____ %	2040	_____	_____ %

If we are the successful bidder, we will wire transfer the Deposit to the Corporation in accordance with the terms of the Notice of Certificate Sale.

This Bid is not subject to any conditions not expressly stated herein or in the attached Notice of Certificate Sale. Receipt of the Preliminary Offering Statement relating to the Series 2021A Certificates is hereby acknowledged. The names of the underwriters or the members of the account who are associated for the purpose of this Bid are listed either below or on a separate sheet attached hereto:

The signature below indicates acknowledgment, understanding and acceptance of the terms and provisions of this Bid and of the Notice of Bond Sale.

By: _____

No addition or alteration is to be made to this Bid.

Bids must be submitted on this form except as otherwise provided in the Notice of Bond Sale.

(The below computation is submitted for purposes of information only and is not a part of this Bid.)

The annual true interest cost rate of the Series 2021A Certificates calculated from the date of delivery is %

* Preliminary, subject to change.