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Clerk's Set

submitted by G.L.

Aug 17, 2000

BMO

#4295

FORM OF
LOAN AGREEMENT

DATED AS OF

{ _____ } _____ 1, 2000

BY AND BETWEEN

FLORIDA MUNICIPAL LOAN COUNCIL

AND

_____, FLORIDA

RELATIVE TO

FLORIDA MUNICIPAL LOAN COUNCIL REVENUE BONDS
(CAPITAL PROJECTS AND EQUIPMENT ACQUISITION PROGRAM)
SERIES 2000

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LOAN AGREEMENT

This Loan Agreement dated as of {_____} _____ 1, 2000 (the "Loan Agreement") and entered into by and between the FLORIDA MUNICIPAL LOAN COUNCIL (the "Issuer"), an interlocal entity of the State of Florida created pursuant to the authority of Chapter 163, Florida Statutes, as amended (the "Act"), and _____ (the "Borrower" ~~or~~ **or the "Participating Governmental Entity"**), a political subdivision of the State of Florida.

WITNESSETH:

WHEREAS, the Issuer was duly created under and pursuant to the provisions of the Act as an interlocal entity of the State of Florida; and

WHEREAS, the Issuer is authorized by the Act, among other things, to assist in financing and refinancing the construction of public works and infrastructure and the acquisition of necessary equipment ~~{and rolling stock}~~ ("Projects") by participating governmental entities of the State of Florida (the "State"); and

WHEREAS, pursuant to the Act, and in order to encourage financing such Projects for the purpose of the construction, installation, rehabilitation and equipping of such facilities and the acquisition of such necessary equipment by governmental entities ("Participating Governmental Entities"), which the Issuer believes to be in the public interest and for the benefit of the wealth, health and safety of the citizens of the State, the Issuer is authorized to issue its revenue bonds and loan the proceeds of the revenue bonds to such Participating Governmental Entities (the "Program"); and

WHEREAS, in order to establish the Program to assist Participating Governmental Entities in financing Projects, the Issuer has agreed to authorize, issue, sell and deliver its Revenue Bonds, (Capital Projects and Equipment Acquisition Program), Series 2000 (the "Bonds"); and

WHEREAS, in order to effectuate the Program, the Issuer has heretofore authorized, approved and validated the issuance of the Bonds; and

WHEREAS, the Borrower is authorized under the Act and other applicable law to enter into this Loan Agreement as a Participating Governmental Entity for the purposes set forth herein; and

WHEREAS, the Issuer and the Borrower have determined that the provision of funds by the Issuer to the Borrower pursuant to the terms of this Loan Agreement and the Supplemental Indenture of Trust No. 1 dated as of {_____} _____ 1, 2000 between the Issuer and the Trustee (as defined herein), including any amendments and supplements thereto (the "Indenture"), will assist the Borrower in financing or refinancing the construction of public works and infrastructure and/or the acquisition of necessary equipment ~~{and rolling stock}~~; or in reimbursing the Borrower for funds already spent in connection therewith, which will benefit the wealth, health and safety of the citizens of the Borrower and of the State;

NOW, THEREFORE, for and in consideration of the premises hereinafter contained and as contained in the Indenture, the parties hereby agree as follows:

[Remainder of Page Intentionally Left Blank]

ARTICLE I
DEFINITIONS

Section 1.01. Definitions. Unless the context or use indicates another meaning or intent, the following words and terms as used in this Loan Agreement shall have the following meanings, and any other words and terms which are defined in the Indenture, as hereinafter defined, shall have the meanings as therein defined:

"Accountant" or "Accountants" means an independent certified public accountant or a firm of independent certified public accountants as to whom the Trustee and the Bond Insurer make no reasonable objection.

"Acquisition Fund" means the account by that name established pursuant to Section 5.02 of the Indenture.

"Act" means Chapter 163, Florida Statutes, as amended and other constitutional and statutory authority supplemental thereto.

"Administrator Agreement" means a Program Administration Agreement by and between the Issuer, the Trustee and the Administrator, as amended and supplemented from time to time.

"Administrator" or "Program Administrator" means, Florida League of Cities, Tallahassee, Florida, and any successor thereto named by the Issuer as Administrator.

"Advance" means any disbursement of funds to the Borrower by the Trustee from the Borrower's Reservation Account established under the Indenture as provided in Article III of this Loan Agreement.

"Authorized Officer" means the person performing the functions of the chief executive officer or chief financial officer of the Borrower.

"Available Moneys" means (i) with respect to any Loan Repayments or Prepayments, ~~{Lawfully Available Funds}~~ **lawfully available funds** that have been held for a period of 124 consecutive days during which no petition in bankruptcy under the United States Bankruptcy Code has been filed by or against such Issuer or a Borrower as debtor, and no similar proceedings have been instituted under state insolvency or other laws affecting creditors' rights generally, provided that such amounts will again be deemed Available Moneys if the petition or proceedings have been dismissed and the dismissal is no longer subject to appeal; or (ii) moneys on deposit in trust with the Trustee (a) which are derived from the proceeds of other bonds or obligations issued for the purpose of refunding the Bonds; (b) any other moneys but only if the Trustee received an unqualified opinion of Bankruptcy Counsel acceptable to the Trustee that payment of such amounts to the Bondholders would not constitute voidable preferences under Section 547 of the United States Bankruptcy Code or any similar state or federal laws (including federal and state laws governing the insolvency of banks, insurance companies, savings and loan associations or other specific types of Borrowers) with

voidable preference provisions in the event of a filing of a petition for relief under the United States Bankruptcy Code by or against the Issuer or any Borrower or the Person from whom the money is received if other than a Borrower; or which are moneys with respect to which the Trustee receives an unqualified opinion of nationally recognized bankruptcy counsel acceptable to the Trustee that payment of such amounts to the Bondholders would not constitute avoidable preferences under Section 547 of the United States Bankruptcy Code in the event of the filing of a petition for relief under the United States Bankruptcy Code by or against the Issuer or a Borrower, (c) which are proceeds of the Bonds and earnings thereon and which have been continuously on deposit in the Funds created by the Indenture or (d) which are proceeds of the remarketing of the Bonds (other than a remarketing of Bonds to the Issuer, a Borrower or an affiliate of either).

"Bond Counsel" means Bryant, Miller and Olive, P.A., or any law firm subsequently designated by the Issuer having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds and which is acceptable to the Trustee and the Bond Insurer.

"Bond Insurance Policy" means the financial guaranty insurance policy issued by the Bond Insurer which guarantees payment of the principal of and interest on the Bonds pursuant to the terms of such Bond insurance Policy.

"Bond Insurer" means { _____, a _____ stock insurance corporation.} **MBIA Insurance Corporation, and any successor thereto.**

"Bondholder" means the registered owner of any Bond.

"Bond Program" or "Program" means the bond program of the Issuer authorized by resolution of the Issuer, as may be amended from time to time, pursuant to which costs of the Projects of Borrowers will be financed, refinanced or reimbursed from the proceeds of the Bonds.

"Bond Purchase Agreement" means that certain agreement between the Issuer and the Underwriter providing for the purchase by the Underwriter of the Bonds upon payment of the purchase price and satisfaction of the conditions set forth therein for the initial issuance thereof.

"Bonds" means the Issuer's Revenue Bonds, (Capital Projects and Equipment Acquisition Program), Series 2000 issued pursuant to the Indenture.

"Borrower" means the Borrower under this Loan Agreement.

"Business Day" means any day other than (a) a Saturday or Sunday, (b) a day on which commercial banks in New York, New York, or the city or cities in which the corporate trust operations office of the Trustee or the paying office of the Bond Insurer are authorized by law or executive order to close or (c) a day on which the New York Stock Exchange is closed. For purposes of this definition, Paying Office of the Bond Insurer means the office of the Insurance Paying Agent responsible for making payments under any Bond Insurance Policy.

"Closing Date" means the date on which a Borrower executes and delivers a Loan Agreement and proceeds of the Bonds are transferred to the Borrower's Reservation Account.

"Code" means the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

"Controlled Group" means a group of entities directly or indirectly subject to control by the same entity or group of entities, including the entity that has control of the other entities.

"Cost" means the cost of the acquisition of all equipment, ~~{(rolling stock),}~~ lands, structures, rights-of-way, franchises, easements and other property rights and interests acquired by the Issuer or a Borrower for a Project; the cost of demolishing, removing or relocating any buildings or structures on lands so acquired, including the cost of acquiring any lands to which such buildings or structures may be moved or relocated; the cost of all labor, materials, machinery and equipment, financing charges, interest prior to and during construction and for such a limited period after completion of such construction as may be approved by the Bond Insurer (not to exceed one year after completion of the Project), the cost of engineering, financial and legal services, plans, specifications, studies, surveys, estimates of costs and revenues, other expenses necessary or incident to determining the feasibility or practicability of constructing a Project; administrative expenses; and such other expenses as may be necessary or incident to the construction of a Project, the financing of such construction and the placing of such Project in operation; provided, however, that such term shall not include such items as fuel, supplies or other items which are customarily deemed to result in a current operating charge.

"Costs of Issuance Fund" means the Costs of Issuance Fund established pursuant to Section 5.02 of the Indenture.

"Counsel" means an attorney duly admitted to practice law before the highest court of any state and, without limitation, may include legal counsel for either the Issuer or the Borrower.

"Default Rate" means a rate equal to the Prime Rate plus [2%], which rate shall change as and when such Prime Rate changes; however, such rate shall not exceed the highest rate permitted by law, nor be less than the Participant Rate.

"Event of Default" shall have the meaning ascribed to such term in Section 10.01 of this Loan Agreement.

"Extraordinary Expenses" means the fees, costs, and expenses more fully defined & described in Section 5.

"Indenture" means, collectively, the Master Indenture and Supplemental Indenture of Trust No. 1.

"Initial Amount" means the aggregate principal amount as stated in this Loan Agreement to be made available by the Issuer to or on behalf of the Borrower for a period not to exceed sixty (60)

months to fund Advances from time to time as directed by the Borrower to finance the Cost of Projects.

"Issuer" means the Florida Municipal Loan Council.

~~["Lawfully Available Funds" means, collectively, the funds, income, revenue fees, receipts or charges of any nature from any source whatsoever on deposit with or accruing from time to time to the Borrower, provided that no such funds, income, revenue, fees, receipts or charges shall be so included in this definition which have been or are legally dedicated and required for purposes inconsistent with the Project by the electorate, by the terms of specific grants, by the terms of particular obligations issued or by operation of law, and provided further that the full faith and credit of the Borrower is not pledged and there is no obligation to levy or increase taxes or other sources of revenue above any legal limits applicable to the Borrower from time to time. Consider if this is Non Ad Valorem Revenues].~~

~~"Non Ad Valorem Revenues" means all revenues and taxes of the Borrower derived from any source whatever other than ad valorem taxation on real and personal property, which are legally available for Loan Repayments.~~

~~"Loan" means the aggregate of the principal amount of all Advances.}~~ **"Loan" means the loan to the Borrower by the Issuer from the Proceeds of the Bonds in the amount of \$ _____.**

"Loan Agreement" or "Agreement" means this Loan Agreement, including the Exhibits attached hereto and any amendments hereto.

"Loan Payment Period" shall mean (i) during any period when the Issuer is not obligated to make variable rate payments under a Swap Agreement, the semi-annual periods ending on each Bond Payment Date and (ii) during the period when the Issuer is obligated to make variable rate payments under a Swap Agreement, the period commencing on each Swap Payment Date and ending on the day immediately preceding the next Swap Payment Date.

"Loan Repayment Date" means the ~~{fifteenth (15th) day of each month.}~~ **first day of _____ and _____ of each year, with the initial Loan Payment Date of _____, 200 .**

"Loan Repayments" means the scheduled payments of principal and interest on the Loan and any other amounts payable by the Borrower pursuant to the provisions of this Loan Agreement and the Participant Note.

"Loan Term" means the term provided for in Article IV of this Loan Agreement.

"Master Indenture" means the Master Indenture of Trust by and between the Issuer and the Trustee dated as of _____ 1, 2000, relative to the Program.

"Non-Ad Valorem Revenues" means all revenues and taxes of the Borrower derived from any source whatever other than ad valorem taxation on real and personal property, which are legally available for Loan Repayments.

"Participant Note" means the promissory note in substantially the form attached to this Loan Agreement as Exhibit B, made by the Borrower and payable to the Issuer and providing for Loan Repayments, and any promissory note issued in substitution or exchange therefor.

"Participant Rate" means, at any point in time, the applicable rate of interest on the Borrower's Participant Note. The Participant Rate for each Loan Payment Period shall be (i) during any period when the Issuer is not obligated to make variable rate payments under a Swap Agreement, the fixed rate per annum equal to the interest rate on the Bonds, plus not to exceed __ basis points per annum, such amount to be determined by the Administrator at the time the Issuer is not obligated to make variable rate payments under a Swap Agreement, and (ii) during the period when the Issuer is obligated to make variable rate payments under a Swap Agreement, a variable rate per annum determined and reset weekly equal to the Weekly Rate, calculated as provided in Section 6.04(b) of the Indenture, plus _____ basis points per annum; however, upon the conditions specified in this Loan Agreement following the occurrence of an Event of Default under this Loan Agreement, the interest rate thereon shall be increased to a rate per annum equal to the Default Rate. Said Default Rate shall be based upon a 365/366 day year for the actual days elapsed and shall change when and as the Prime Rate shall change. The Participant Rate shall never exceed the Maximum Rate.

"Person" means (a) any individual, (b) any corporation, partnership, limited liability company, joint venture, association, joint-stock company, business trust or unincorporated organization or grouping of any such entities, in each case formed or organized under the laws of the United States of America, any state thereof or the District of Columbia or (e) the United States of America or any state thereof, or any governmental entities of any thereof, or any agency, authority or other instrumentality of any of the foregoing.

"Prepayment" means the payment in whole or in part of the principal amount of the Loan and the Participant Note as provided in Section 8.01 hereof.

"Prime Rate" shall mean the consensus New York Prime Rate, which term refers to the fluctuating rate of interest charged to the largest and most credit-worthy industrial customers on unsecured notes of 90 days maturity as set by a consensus of New York banks, as such rate is published in *The Wall Street Journal*, as the same is adjusted from time to time, effective as of the date of publication of any change therein.

"Principal Requirement" means the aggregate amount of principal to be repaid by the Borrower under its Participant ~~{Notes}~~ Note, which aggregate amount is defined in Section 5.01 of this Loan Agreement.

"Project" means any qualified capital project or projects of the Borrower, the financing of which constitutes [an "authorized project"~~{of the Issuer}~~], as such term is defined in the Act (including, without limitation, the construction of public works and infrastructure and acquisition

of necessary equipment ~~(and rolling stock)~~, all or a portion of the Costs of which are financed or refinanced by the Issuer pursuant to the Indenture and a Loan Agreement.

"Pro Rata Share" means a fraction the numerator of which is the Related Amount for a Participating Governmental Entities as of the date of calculation and the denominator of which is the sum of the Related Amounts for all Participating Governmental Entities at such time and all amounts available to make Loans in the Initial Account, the Recycling Account and the Redemption Fund at such time.

"Reimbursed Expenditures" means amounts, if any, used from proceeds and investment earnings thereon to reimburse a Borrower for an expenditure paid prior to the Closing Date.

"Reimbursement Allocation" means the act of allocating Reimbursed Expenditures as described herein.

"Request for Advance" means a written request by an Authorized Officer of the Borrower for an Advance under Section 3.02 of this Loan Agreement in the form of Exhibit F hereto stating the amount of the Advance requested, identifying the project or otherwise describing the intended use of the moneys to be advanced.

"Reservation Account" means the fund by that name established pursuant to Section 5.02 of the Indenture.

"Resolution" means that certain resolution or ordinance, duly adopted by the governing body of the Borrower on _____, 200_, authorizing this Loan Agreement and the Participant Note, the form of which is attached hereto as Exhibit C.

"State" means the State of Florida.

"Supplemental Indenture" means Supplemental Indenture of Trust No. 1 by and between the Issuer and the Trustee dated as of _____ 1, 2000.

"Tax Agreement" means the [Tax Certificate] by and between the Issuer and the Trustee dated as of the date of delivery of the Bonds, as the same may be amended from time to time in accordance with its terms.

"Trustee" means _____, _____, _____, as trustee under the Supplemental Indenture, or any successor thereto under the Supplemental Indenture.

"Weekly Rate" means the TBMA Index established weekly for each Weekly Rate Period in accordance with Section 6.04(b) of the Indenture.

"Weekly Rate Period" means for any period in which the Participant Rate is the variable rate of interest based on the Weekly Rate as described in clause (ii) of the first sentence of the definition of "Participant Rate", and except for the initial Weekly Rate Period as provided herein, the period

commencing on Thursday (or if the date of determination is not a Wednesday or such Thursday is not a Business Day, on the next following Business Day) and ending on the next succeeding date of determination, or if earlier, on the last day of the Weekly Rate Period.

ARTICLE II

REPRESENTATIONS AND COVENANTS OF BORROWER

Section 2.01. Representations. The Borrower represents for the benefit of the Issuer, the Trustee, the Bond Insurer and Bondholders as follows:

(a) Organization and Issuer.

(1) The Borrower is a [municipality] [_____], duly created and validly existing in good standing pursuant to the constitution and statutes of the State.

(2) The Borrower has full legal right and authority and has taken all action and obtained all necessary approvals required as of the date hereof to enter into this Loan Agreement, to adopt the Resolution and issue the Participant Note, to undertake and complete the Project, to finance the Project in the manner contemplated herein and to carry out and consummate all transactions contemplated by this Loan Agreement.

(3) The Resolution approving this Loan Agreement and the Participant Note and authorizing their execution and delivery on behalf of the Borrower, authorizing the issuance, sale and delivery of the Participant Note, and authorizing the Borrower to undertake and complete the Project have been duly and lawfully adopted at a meeting or meetings duly called and held at which quorums were present and acting throughout and such meeting or meetings were duly called pursuant to necessary public notice and held in accordance with the sunshine law and any other applicable laws.

(4) This Loan Agreement and the Participant Note have been duly authorized, executed and delivered by an Authorized Officer of the Borrower; and (assuming that the Issuer has all the requisite power and authority to execute and deliver, and has duly authorized, executed and delivered, this Loan Agreement) this Loan Agreement, the Resolution and the Participant Note constitute the legal, valid and binding obligations of the Borrower enforceable in accordance with their respective terms subject to future proceedings under municipal bankruptcy, reorganization, debt arrangements, insolvency, moratorium, or other laws of general application or principles of equity relating to or affecting the enforcement of creditors' rights.

(b) Full Disclosure. There is no fact known to the Borrower that the Borrower has not specifically disclosed in writing to the Bond Insurer, the Issuer, ~~the Program Monitor~~ or the Administrator that materially and adversely affects or (so far as the Borrower can now foresee), except for pending or proposed legislation or regulations that are a matter of general public information affecting Persons generally, that will materially and adversely affect the properties, activities, prospects or condition (financial or otherwise) of the Borrower or the ability of the Borrower to perform its obligations under this Loan Agreement and the Participant Note.

The current financial statements of the Borrower, including balance sheets and the other statements referred to in Section 2.02(g) of this Loan Agreement, and any other written statement

furnished by the Borrower to the Issuer (or the Administrator acting on the Issuer's behalf) or the Bond Insurer do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein or herein not misleading. There is no fact known to the Borrower which the Borrower has not disclosed to the Issuer (or the Administrator acting on the Issuer's behalf) ~~}, [the Program Monitor]}~~ and the Bond Insurer in writing which materially affects adversely or is likely to materially affect adversely the financial condition of the Borrower, its ability to own and operate its property in the manner such property is currently operated or its ability to make the payments upon the Participant Note and under this Loan Agreement when and as the same become due and payable.

(c) Pending Litigation. There is no litigation or legal or governmental action, inquiry, investigation or proceedings pending, or to the knowledge of the Borrower threatened, against or affecting the Borrower, except as specifically described in writing to the Issuer ~~}, [the Program Monitor]}~~ and the Bond Insurer, in any court or before any governmental authority or arbitration board or tribunal that, if adversely determined, would materially and adversely affect the properties, prospects or condition (financial or otherwise) of the Borrower, or the corporate existence or powers or ability of the Borrower to enter into and perform its obligations under this Loan Agreement and the Participant Note.

(d) No Conflict With Laws and Agreements. The execution and delivery of this Loan Agreement and the Participant Note, the performance by the Borrower of its obligations hereunder and thereunder, the consummation of the transactions provided for in this Loan Agreement and the Participant Note, compliance by the Borrower with the provisions of this Loan Agreement and the Participant Note and the undertaking and completion of the Borrower's Project do not and will not conflict with or result in any material breach of any of the terms, conditions or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance upon, any property or assets of the Borrower pursuant to any indenture, loan agreement or other agreement or instrument (other than this Loan Agreement) or corporate restriction to which the Borrower is a party or by which the Borrower, its properties or operations may be bound or with the giving of notice or the passage of time or both would so constitute a breach or default or so result in the creation or imposition of any lien, charge or encumbrance, which breach, default, lien, charge or encumbrance could materially and adversely affect the validity or the enforceability of the Participant Note or this Loan Agreement or the Borrower's ability to perform fully its obligations under the Participant Note or this Loan Agreement; nor will such action result in any violation of the provisions of or any laws, ordinances, governmental rules or regulations or court or other governmental orders to which the Borrower, its properties or operations are subject.

(e) No Defaults. No event has occurred and no condition exists that constitutes an Event of Default or which, upon the execution and delivery of this Loan Agreement and the Participant Note and/or the passage of time or giving of notice or both, would constitute an Event of Default. The Borrower is not in violation in any material respect, and has not received notice of any claimed material violation (except such violations as (i) heretofore have been specifically disclosed in writing to, and have been in writing specifically consented to by, the Issuer ~~}(or [the Program Monitor])~~ or the Administrator on its behalf) and the Bond Insurer and (ii) do not, and shall not, have any material adverse effect on the transactions herein contemplated and the compliance by the Borrower with the

terms hereof or the Participant Note), of any terms of any agreement, or other instrument to which it is a party Or by which it, its properties or operations may be bound.

(f) Governmental Consent. The Borrower has obtained, or will obtain prior to any Advance relating thereto, all approvals required by any governmental body or officer for the adoption of the Resolution, the issuance of the Participant Note and the making and performance by the Borrower of its obligations under this Loan Agreement or for the undertaking or completion of the Project, the financing thereof or the reimbursement of the Borrower therefor, or the use of such Project. The financing of the Project as contemplated by this Loan Agreement and the Resolution is consistent with the terms of any such governmental consent, order or any action applicable thereto. No consent, approval or authorization of, or filing, registration or qualification with, any governmental authority that has not been obtained is required on the part of the Borrower as a condition to the execution and delivery of the Participant Note, this Loan Agreement, the undertaking or completion of the Borrower's Project, the adoption of the Resolution or the consummation of any transaction herein contemplated. No consent, approval or authorization of, or filing, registration or qualification with, any governmental authority is required on the part of the Borrower as a condition to the execution and delivery of or the performance of its obligations under this Loan Agreement or to the issuance of the Participant Note.

(g) Compliance With Law. The Borrower is in compliance with all laws, ordinances, governmental rules and regulations to which it is subject, the failure to comply with which would materially adversely affect the ability of the Borrower to conduct its activities or the condition (financial or otherwise) of the Borrower.

(h) Use of Proceeds. Except to the extent that the Borrower shall deliver to the Issuer, the Trustee, the Administrator ~~{, [the Program Monitor]}~~ and the Bond Insurer a Favorable Opinion of Tax Counsel with respect to the failure of the Borrower to comply with any of the agreements on its part contained in the following paragraphs, the Borrower represents and agrees that it will apply the proceeds of the Loan solely for the financing or refinancing, or to reimburse itself, for the Costs of the Project, all as provided in the Resolution and the Tax Agreement. The Borrower will not use any of the proceeds of the Loan in any manner that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and the regulations promulgated thereunder and will take such actions as are necessary and within its power to assure that the interest on the Bonds will not be subject to federal income taxation by virtue of the Bonds being arbitrage bonds. In this regard, the Borrower will follow the written directions of Bond Counsel if, in the opinion of such Bond Counsel, such directions are needed to maintain the tax-exempt status of the Bonds.

The Borrower will apply the Initial Amount solely for the financing or refinancing of or to reimburse itself for the Cost of the Project as set forth in Exhibit A hereto. With the consent of the Administrator and the Bond Insurer, the Borrower may amend Exhibit A to provide for the financing or refinancing of different or additional Projects if the Borrower, after the date hereof, deems it not to be in the interest of the Borrower to acquire, construct, improve, finance or refinance any Project or the Cost of the Project proves to be less than the amounts listed on such Exhibit A; provided, however, the Borrower provides the Issuer, the Trustee, the Administrator and the Bond Insurer with

a Favorable Opinion of Bond Counsel with respect to the financing or refinancing of different or additional Projects.

(i) Project. The Project and the financing thereof pursuant to the terms hereof constitutes an "authorized project" as such term is defined in the Act.

(j) Tax Agreement. The Borrower shall comply in all respects with the Tax Agreement, and shall take no action except as expressly permitted herein, which would cause the representations contained therein not to be true and correct on a continuing basis. The Borrower covenants that it shall not take any action or inaction, nor fail to take any action or permit any action to be taken, if any such action or inaction would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds or the Participant Note under Section 103 of the Code.

(k) Continuing Disclosure. The Borrower shall provide such continuing disclosure information as may be necessary to enable the Issuer to comply with the provisions of Rule 15(c)2-12 (the "Rule") of the United States Securities and Exchange Commission, in the form and at the times required by the Rule.

Section 2.02. Covenants of Borrower.

(a) Maintenance and Use of the Project. The Borrower will maintain the Project in good condition and make all necessary renewals, replacements, additions, betterments and improvements thereto.

(b) Insurance. The Borrower shall obtain and maintain the insurance required in Exhibit E hereto.

(c) Performance of this Loan Agreement. The Borrower agrees (i) to cooperate with the Issuer and the Bond Insurer in the performance of the respective obligations of such Borrower and the Issuer under this Loan Agreement; (ii) **subject to the provisions of this Loan Agreement**, to collect currently authorized governmental charges and taxes and other revenue sufficient to enable the Issuer to pay when due the amounts payable under, and sufficient to fulfill the terms and provisions of, this Loan Agreement; and (iii) to deliver to the Issuer, the Bond Insurer and any designee of such parties any report or certificate required to comply or to evidence compliance with requirements imposed by the Bond Insurer.

(d) Inspections. The Borrower shall permit the Issuer, the Trustee, the Administrator, ~~the Program Monitor~~ and the Bond Insurer and any party designated by any of such parties to examine, visit and inspect, at any and all reasonable times, the Project, and to inspect and make copies of any accounts, books and records, including (without limitation) its records regarding receipts, disbursements, contracts, investments and any other matters relating thereto (other than documents the confidentiality of which is protected by law or professional codes of ethics) and to its financial standing, and shall supply such reports and information as the Issuer, the Trustee, the Administrator or the Bond Insurer may reasonably require in connection therewith.

(e) Cost of Project. The Borrower certifies that the Cost of the Project is a reasonable and accurate estimation and upon direction of the Bond Insurer or the Issuer will supply the same with a certificate from an independent Person acceptable to the Bond Insurer or the Issuer stating that such Cost of the Project is a reasonable and accurate estimation.

(f) Project. Moneys which will be made available from this Loan Agreement and other sources will be sufficient to complete and pay for the Project.

(g) Delivery of Information to the Bond Insurer. The Borrower will deliver to the Bond Insurer as soon as available and in any event within 180 days after the end of the Borrower's fiscal year, ~~{an audited statement of its financial position and}~~ an audited statement of the consolidated financial position of the Borrower as of the end of such fiscal year and the related statements of revenues and expenses, fund balances and changes in fund balances for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by licensed, independent certified public accountants, whose report shall state that such financial statements present fairly the financial position as of the end of such fiscal year and the results of operations and changes in financial position for such fiscal year.

(h) Information. The Borrower's ~~{Secretary}~~clerk, chief executive officer or chief financial officer] shall, at the reasonable request of the Bond Insurer or the Administrator, discuss the Borrower's financial matters with the Bond Insurer or the Administrator and provide the Bond Insurer with copies of any documents furnished by the Borrower to the Issuer, the Administrator or any credit rating service, or, at the request of the Bond Insurer, any lender to the Borrower.

(i) Indemnity. ~~{The}~~ To the extent permitted by law, the Borrower will pay and will protect, indemnify and save the Issuer, the Bond Insurer and the Trustee, each member, officer, commissioner, employee, representative, agent and counsel of the Issuer, the Bond Insurer and the Trustee, and each other person, if any, who has the power, directly or indirectly, to direct or cause the direction of the management and policies of the Issuer, the Bond Insurer and the Trustee, harmless from and against, any and all liabilities, losses, damages, costs and expenses (including reasonable attorneys' fees), suits, claims and judgments of whatsoever kind and nature (including those in any manner directly or indirectly arising or resulting from, out of or in connection with any injury to, or death of, any person or any damage to property resulting from the use or operation of the Project) in any manner directly or indirectly (in any case, whether or not by way of the Borrower, its successors and assigns, or directly or indirectly through the agents, contractors, employees, licenses or otherwise of the Borrower or its successor and assigns) arising or resulting from, out of or in connection with the Project or the breach or violation of any agreement, covenant, representation or warranty of the Borrower set forth in this Loan Agreement or the Participant Note or any document delivered pursuant hereto or thereto or in connection herewith or therewith.

An indemnified person shall promptly notify the Borrower in writing of any claim or action brought against it, in respect of which indemnity may be sought against the Borrower, setting forth, to the extent reasonably practicable under the circumstances, the particulars of such claim or action,

and the Borrower will promptly assume the defense thereof, including the employment of competent counsel satisfactory to such indemnified person and the payment of all expenses.

An indemnified person may employ separate counsel with respect to any such claim or action and participate in the defense thereof, but, except as provided herein, the fees and expenses of such separate counsel shall not be payable by the Borrower unless such employment has been specifically authorized by the Borrower or unless such employment was occasioned by conflicts of interest between and among indemnified persons and/or the Borrower. If the Borrower shall fail to assume the defense of any action as required hereunder, or, within a reasonable time after commencement of such action, to retain counsel satisfactory to the indemnified person, the fees and expenses of counsel to such indemnified person hereunder shall be paid by the Borrower.

The provisions of this paragraph (i) shall survive the termination of this Loan Agreement and the payment in full of the Participant Note.

(j) Insurance and Condemnation Proceeds. The Borrower shall not make any disposition nor direct the disposition of insurance or condemnation payments with respect to the Project without the written consent of the Bond Insurer.

(k) Location of Project. The Project will be used or based within the jurisdiction of the Borrower.

(l) Further Assurance. The Borrower shall execute and deliver to the Bond Insurer all such documents and instruments and do all such other acts and things as may be necessary or reasonably required by the Bond Insurer to enable the Bond Insurer to exercise and enforce its rights under this Loan Agreement and to realize thereon, and record and file and rerecord and refile all such documents and instruments, at such time or times, in such manner and at such place or places, all as may be necessary or required by the Bond Insurer to validate, preserve and protect the position of the Bond Insurer under this Loan Agreement.

(m) Keeping of Records and Books of Account. The Borrower shall keep or cause to be kept proper records and books of account, in which correct and complete entries will be made in accordance with generally accepted accounting principles, consistently applied (except for changes concurred in by the Borrower's independent auditors) reflecting all of its financial transactions.

(n) Compliance With Laws, Etc. The Borrower shall comply with the requirements of all applicable laws, the terms of all grants, rules, regulations and orders of any governmental authority noncompliance with which would, singly or in the aggregate, materially and adversely affect its business, properties, earnings, prospects or credit, or the enforceability of this Loan Agreement or the Participant Note unless the same shall be contested by it in good faith and by appropriate proceedings which shall operate to stay the enforcement thereof.

(o) Tax-Exempt Status of Bonds and the Participant Note. The Issuer, and the Borrower understand that it is the intention hereof that the interest on the Bonds and the Participant Note not be included within the gross income of the holders thereof for federal income tax purposes. In

furtherance thereof, the Borrower agrees that it will take all action within its control which is necessary in order for the interest on the Bonds and the Participant Note to remain exempt from federal income taxation and shall refrain from taking any action which results in such interest becoming so taxable.

The Borrower covenants that neither it nor any related person, as contemplated by Section 1.148-1 (b) of the U.S. Treasury Regulations under the Code, shall, pursuant to an arrangement, formal or informal, purchase obligations of the Issuer in an amount related to the amount of the Loan or the Participant Note delivered in connection with the transaction contemplated hereby.

The Borrower further covenants that it will record or file or cause to be recorded or filed in such manner and in such places whatever documents as may be required by law to be recorded or filed in order to protect fully the security of the holders and owners of the Bonds and, if applicable, the tax-exempt status of such Bonds and the Participant Note, including, but not limited to, the filing of all reports as may be required from time to time pursuant to the Code.

The Borrower further covenants that it will not take any action or fail to take any action with respect to the investment of the proceeds of any Bonds or the Participant Note, with respect to the payments derived from the Bonds, the Participant Note or hereunder or with respect to the purchase of other Issuer obligations, which action or failure to act may cause the Bonds or the Participant Note to be "arbitrage bonds" within the meaning of such term as used in Section 148 of the Code and the regulations promulgated thereunder.

(p) Information Reports. The Borrower covenants to provide the Issuer with all material and information necessary to enable the Issuer to file all reports required under Section 103 of the Code (including the applicable Form 8038-G) to assure that interest paid by the Issuer on the Bonds and by the Borrower on the Participant Note shall be exempt from all federal income taxation.

Section 2.03. Tax Covenants and Representations of the Borrower.

(a) The Borrower will not identify the Swap Agreement as a hedge in its books and records (e.g., a "qualified hedge") pursuant to Treas. Reg. Section 1.148-4(h)(2)(viii);

(b) No more than five percent (5%) of the Loan proceeds, and the investment earnings thereon, will be used, directly or indirectly, to make or finance loans to any persons other than state or local government units. Moreover, at least ninety-five percent (95%) of the net proceeds derived from each Participant Note will be applied to the Project used for the governmental purposes of the Borrower;

(c) No users of the Project other than state or local governmental units will use more than five percent (5%) of the Project in the aggregate, on any basis other than the same basis as the general public; and no person other than a state or local governmental unit will be the user of more than five percent (5%) of the Project, in the aggregate, as a result of (i) ownership, (ii) actual or beneficial use pursuant to a lease or a management, service, incentive payment or output contract, or (iii) any other similar arrangement, agreement or understanding, whether written or oral;

(d) For purposes of the foregoing, any subsequent actions are subject to compliance with the remedial actions rules of Treas. Reg. Section 1.141-12;

(e) The amounts repaid to the Interest Account and the Principal Account of the Bond Fund will not be derived from proceeds of the sale of the Bonds or borrowings made by the Borrower and such amounts will be derived from tax collections and other governmental receipts, except with respect to any refunding or prepayment permitted under the arbitrage regulations;

(f) During the term of the Participant Note, the Project will be used by the Borrower only for the purpose of performing one or more governmental or proprietary functions of the Borrower consistent with the permissible scope of the Borrowers authority;

(g) The use of the Project is essential to the Borrower's proper, efficient, and economic operation;

(h) The Borrower has an immediate need for, and expects to make immediate use of, all of the Project, which need is not temporary or expected to diminish in the foreseeable future;

(i) There are no circumstances presently affecting the Borrower that could reasonably be expected to alter its foreseeable need for the Project or adversely affect its ability or willingness to budget funds for the payment of amounts due under the Participant Note;

(j) The inclusion in the Participant Note of the Borrower's right to prepay is not indicative of any present purpose or design on the part of the Borrower to prepay or redeem the Participant Note and acquire additional property or services performing functions similar to the Project;

(k) The Borrower will not take or omit to take any action which will adversely affect the exclusion from gross income of the interest component of the Participant Note payments under the Code, including any action or omission which will cause the Bonds or the Participant Note to be an "arbitrage bond" within the meaning of Section 148 of the Code;

(l) The Borrower reasonably expects that the average maturity of the Participant Note will not exceed one hundred and twenty percent (120%) of the average reasonably expected economic life of the Project pursuant to the Loan Agreement based on when such Project is in fact acquired;

(m) The Borrower reasonably believes that the term of the Participant Note is reasonably necessary to accomplish the governmental purposes of the Borrower by providing the Borrower the cost of financing or currently refinancing the Project during the term of the ~~{Borrower}~~ Participant Note on terms and conditions that are beneficial to the Borrower, when compared to other potential means of financing, leasing, or otherwise using such Project;

(n) The Borrower intends to continue the term of the Participant Note and to pay the Participant Note payments pursuant to the Loan Agreement;

(o) The estimated total costs of acquiring the Project and paying related expenses of executing and delivering the Participant Note will be an amount not less than the principal component of the Participant Note, together with earnings estimated to be received from investment of any fund monies pursuant to the Indenture until the Project is acquired;

(p) The acquisition of the Project and the allocation of the net sale proceeds of the Loan Agreement to expenditures will commence and will proceed with due diligence to completion;

(q) At least eighty-five percent (85%) of the net sale proceeds of the Loan Agreement are expected to be allocated to expenditures on the Project within three (3) years of the date of issuance of the Bonds;

(r) It is not reasonably expected that any of the Project will be sold, encumbered, or otherwise disposed of, in whole or in part, except such parts or portion thereof that may be disposed of due to normal wear, obsolescence, or depreciation, prior to the maturity of the Participant Note;

(s) Amounts deposited in the Reservation Account will be expended solely to pay the costs of the acquisition of the Project and related costs;

(t) The Borrower does not expect to create or establish any sinking fund or similar fund with respect to the Participant Note;

(u) No amounts in the accounts or funds of the Borrower are reserved or pledged for Participant Note payments, or to secure the Insurance Policy, and it is not expected that any accounts or funds will be used, nor is there any reasonable assurance that any portion of any accounts or funds will be available for Participant Note payments if the Borrower encounters financial difficulty;

(v) No security, as defined in Sections 165(g)(2)(A) and (B) of the Code, any other obligations (other than a tax-exempt bond), any annuity contract, or any other property that is held principally as a passive vehicle for the production of income will be pledged as security for the payment of the Participant Note payments;

(w) None of the proceeds of the Loan Agreement is expected to be used directly or indirectly to replace funds which were or are to be used directly or indirectly to acquire securities, obligations (other than tax-exempt bond), any annuity contract, or other property that is held principally as a passive vehicle for the production of income which are expected to produce a yield which is materially higher than the yield produced by the Loan Agreement;

(x) None of the proceeds of the Loan Agreement will be allocated to reimburse the Borrower for any expenditures (i) that were originally paid before the date of issuance of the Bonds from another source, unless the representations set forth in Section 2.04 are true and correct, or (ii) that were incurred before the period permitted by the arbitrage regulations;

(y) The Borrower will not use the proceeds of any Loan as a tax anticipation note, bond anticipation note or revenue anticipation note unless the Borrower certifies that it has complied with the capital deficit rules of the arbitrage regulations and has received a Favorable Opinion of Bond Counsel.

Section 2.04. Reimbursement Representations. Under certain circumstances described below, a Borrower may be entitled to use proceeds of the Loan to reimburse the Borrower for an expenditure paid prior to the date of issuance of the Bonds.

If the Borrower wishes to use proceeds of the Loan to obtain reimbursement for an expenditure paid prior to the Closing Date hereof, the Borrower will make a Reimbursement Allocation to allocate a portion of the Loan proceeds and investment earnings thereon to the Reimbursed Expenditures incurred in connection with the Project and will, after such Reimbursement Allocation, treat such proceeds as being spent. In support of the Reimbursement Allocation, the Borrower hereby represents as follows:

(a) Certain Reimbursed Expenditures (the "Preliminary Expenditures") relate to architectural, engineering, surveying, soil testing, and similar costs that were incurred prior to commencement of the acquisition, construction, or rehabilitation of the Project and do not include any costs related to land acquisition, site preparation and similar costs incident to commencement of construction.

(b) The amount of Preliminary Expenditures does not exceed twenty percent (20%) of the Loan proceeds being used to finance the portion of the Project with respect to which the Preliminary Expenditures were incurred.

(c) Except as described in (h) below, in the case of non-Preliminary Expenditures, the Borrower has adopted an official intent (within the meaning of Treasury Regulations Section 1.150-2(e)) to reimburse such expenditures not later than 60 days after the date such expenditures were paid. At the time the official intent described above was declared, the Borrower reasonably expected to reimburse the non-Preliminary Expenditures related thereto with the proceeds of a future borrowing.

(d) The Borrower will allocate Loan proceeds in an amount to reimburse the Reimbursed Expenditures. Except as described in (h) below, and except in the case of Preliminary Expenditures, the Borrower will be advanced the Loan proceeds from the Reservation Account within 18 months after the later of (i) the first date on which a Reimbursed Expenditure was paid or (ii) the first date on which the property relating to a Reimbursed Expenditure was Placed-in-Service or abandoned, but in no event more than three years after the first date on which a Reimbursed Expenditure was paid. If the Borrower qualifies for the small issuer exception to rebate, except as described in (h) below, and except in the case of Preliminary Expenditures, the Borrower will be advanced the Loan proceeds from the Reservation Account within three years after the later of (i) the first date on which a Reimbursed Expenditure was paid or (ii) the first date on which the property relating to a Reimbursed Expenditure was Placed-in-Service or abandoned.

(e) All Reimbursed Expenditures will represent Capital Expenditures or Costs of Issuance.

~~(f) {The Borrower acknowledges that if within one year after the Borrower is advanced any of the Loan proceeds from the Reservation Account the Borrower deposits any money or other property into any fund or account (other than amounts deposited into a bona fide debt service fund) to pay principal of or interest on the Participant Note or any other tax exempt obligations of the Borrower or ora member of the same Controlled Group as the Borrower in an amount corresponding to proceeds used to reimburse a Reimbursed Expenditure (unless such money or other property constitutes proceeds of a borrowing by the Issuer), it may adversely affect the tax exempt status of the Bonds. The Borrower further acknowledges that in the Resolution it has covenanted not to take any action that would cause interest on the Bonds to be come includable in the gross income of the holders thereof for federal income tax purposes.}~~ **[Reserved]**

(g) No Reimbursement Allocation will employ any action that results in the Issuer or any Borrower issuing more bonds, issuing bonds earlier, or allowing bonds to remain outstanding longer than is reasonably necessary to accomplish the relevant governmental purposes, based upon all of the facts and circumstances.

(h) The restrictions in (c) and (d) above do not apply to (i) costs of issuance or (ii) an amount not in excess of \$100,000.

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ARTICLE III

THE LOAN

Section 3.01. The Loan; Participant Notes. The Issuer hereby agrees to make available to the Borrower ~~{the Initial Amount}~~ \$ _____ deposited into the Reservation Account ~~{set forth on Exhibit A attached hereto and made a part hereof}~~ upon the issuance of the Bonds for the purpose of making ~~{Loans}~~ Advances from time to time to the Borrower. The Borrower agrees to make requisition for and receive Advances from time to time and as evidence of such Loan the Borrower shall issue and deliver the Participant Note to the Issuer ~~{The Participant Note shall be in the principal amount equal to the sum of each Advance}~~ for the full amount of the Initial Amount. The Borrower further agrees to repay such Loan by making all payments due in respect of the Participant Note, together with all other amounts due under this Loan Agreement and the Indenture.

Section 3.02. Funding the Loan. The Trustee, as the agent of the Issuer, shall at the Closing Date transfer the Initial Amount from amounts on deposit in the Acquisition Fund or the Recycling Account to a Reservation Account in accordance with the Indenture. Amounts on deposit in such Reservation Account shall belong to and be held for the benefit of the Borrower, be subject to a first and prior pledge securing the Participant Note and this Loan Agreement, and shall be disbursed upon receipt of a Request for Advance in the form of Exhibit F hereto. Each Request for Advance shall be for a minimum amount of [\$100,000]. The Borrower shall deliver a copy of each Request for Advance submitted to the Trustee to the Administrator and the Bond Insurer on the date the request is submitted to the Trustee. Other than amounts Advanced to the Borrower from the Reservation Account established for the Borrower or in the Borrower's Renewal Account, as provided in the Indenture, the Borrower shall have no legal or equitable interest in the proceeds of the Bonds or in any amounts from time to time on deposit in the funds and accounts created by the Indenture. The proceeds provided to the Borrower shall be used strictly in accordance with Section 2.01(h).

Section 3.03 No Warranty Of Sufficiency. None of the Issuer, the Trustee, the Administrator, nor the Bond Insurer in any way warrants or represents that the Initial Amount will be sufficient to finance the entire Cost of the Project. In the event the proceeds of the Loan are insufficient to defray the entire Costs of the Project, the Borrower shall nevertheless pay all such Costs, from such sources as may be available to the Borrower; and the Borrower shall not be entitled to any abatement, reduction, diminution or postponement of any amounts due hereunder or under the Participant Note.

Section 3.04. Closing Submissions. The obligation of the Issuer to deposit the Initial Amount in the Reservation Account established for the Borrower is expressly subject to the receipt by the Administrator and the Trustee of the Closing documents set forth in Section 4.03 hereof.

Section 3.05. Evidence Of Loan. The Borrower's obligation to repay the portion of the Initial Amount advanced to the Borrower under this Loan Agreement and the Indenture, together with interest thereon at the Participant Rate ~~{(as defined in the Indenture)}~~ shall be evidenced by the Participant Note; and the Borrower's obligation to repay the other payments required under this Loan Agreement shall be evidenced by this Loan Agreement.

ARTICLE IV

LOAN TERM, LOAN CLOSING REQUIREMENTS AND LOAN AMENDMENT REQUIREMENTS

Section 4.01. Commencement of Loan Term. The Borrower's obligations under this Loan Agreement and the Participant Note shall commence on the date hereof unless otherwise provided in this Loan Agreement.

Section 4.02. Termination of Loan Term. The ~~(Borrowers)~~ **Borrower's** obligations under this Loan Agreement and the Participant Note shall terminate after payment in full of all amounts due under this Loan Agreement and the Participant Note with Available Moneys, and all amounts not theretofore paid shall be due and payable on _____; provided, however, that the covenants and obligations expressed herein to so survive shall survive the termination of this Loan Agreement and the payment in full of the Participant Note. Upon termination of the Loan Term as provided above, the Issuer and the Trustee or the Bond Insurer shall deliver, or cause to be delivered, to the Borrower the canceled Participant Note.

Section 4.03. Loan Closing Documents. Concurrently with the execution and delivery of this Loan Agreement, the Borrower is providing to or will cause to be provided to the Bond Insurer and the Trustee the following documents, each dated the date of such execution and delivery unless otherwise provided (except that the item described in (e) below shall be delivered only to the Trustee):

(a) Certified Resolutions of the Borrower in form and substance substantially identical to Exhibit C to this Loan Agreement; provided, however, that the Administrator may permit variances in such certified Resolutions from the form and substance of Exhibit C if, in the good faith judgment of the Administrator, such variance is not to the material detriment of the interests of the Bondholders and such certified Resolutions are acceptable to the Bond Insurer;

(b) A certificate of the officials of the Borrower who sign this Loan Agreement and the Participant Note in form and substance substantially identical to Exhibit D to this Loan Agreement; provided, however, that the Administrator may permit variances in such certificate from the form or substance of Exhibit D if, in the good faith judgment of the Administrator, such variance is not to the material detriment of the interests of the Bondholders and such certificate is acceptable to the Bond Insurer;

(c) The original executed Participant Note to the Issuer, endorsed to the Trustee;

(d) A certificate signed by the Authorized Officer of the Borrower stating (i) the estimated dates and amounts of projected expenditures for the Project, (ii) that it is reasonably anticipated by the Borrower that the Loan proceeds will be fully advanced therefor and expended by the Borrower (to the extent the Advances are not made to reimburse the Borrower for an expenditure already made) prior to a date which is no later than sixty (60) months after the date of issuance of the Bonds, (iii) that the projected expenditures are based on reasonable expectations, and

(iv) that the proceeds of the Loan are to be used to finance a Project, the financing of which constitutes an "authorized project" of the Issuer under the Act;

(e) A letter from the Bond Insurer or other evidence satisfactory to the Administrator and the Trustee to the effect that the Bond Insurer has approved this Loan Agreement;

(f) An opinion (addressed to, and in form and substance acceptable to, the Issuer, the Bond Insurer and the Trustee) of Bond Counsel, to the effect that the Loan will not jeopardize the exemption of the interest on the Bonds from federal income tax or adversely affect the validity of the Bonds;

(g) **An opinion of the Borrower's Counsel in the form of Exhibit _ attached hereto to the effect that the Loan Agreement is a valid and binding obligation of the Borrower and opining to such other matters as may be reasonably required by Bond Counsel, Underwriter's counsel and the Bond Insurer;**

(h) A Form 8038-G with respect to the Loan; and

~~(h)~~(i) Such other certificates, documents and information as the Bond Insurer or the Issuer may require.

All opinions and certificates shall be dated the Closing Date.

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ARTICLE V

LOAN REPAYMENTS

Section 5.01. Repayments.

(a) The principal and interest portions of Loan Repayments are due in the form of payments on the Participant Note, in accordance with the terms thereof. Payment of all other amounts due under this Loan Agreement are payable by the Borrower directly, upon receipt by the Borrower of a statement thereof. The Borrower shall make Loan Repayments due under this Loan Agreement from ~~{Lawfully Available Funds}~~ **Non-Ad Valorem Revenues** in lawful money of the United States of America to the Trustee. Payment by the Borrower of principal, premium, if any, and interest on the Participant Note shall constitute Loan Repayments of principal, premium and interest hereunder.

(b) The Loan shall be repaid in installments, consisting of (i) principal payments on the Participant Note, payable in such amounts on such dates as set forth in the Participant Note, as shown in Exhibit B hereto; and (ii) interest on the Participant Note at the Participant Rate. Interest on any past-due Loan Repayment shall accrue at a rate equal to the Default Rate. All Loan Repayments shall be due as set forth in the Participant Note unless the Participant Note is prepaid in whole or the due date on the Loan Repayments is accelerated pursuant to Section 10.03.

(c) In addition to the foregoing, the Borrower shall pay to the Trustee for the account of the Issuer, from ~~{Lawfully Available Funds}~~ **Non-Ad Valorem Revenues**, its Pro Rata Share of any ~~{Annual}~~ **Semi-annual** Rebate Deficiency calculated in accordance with Section 5.07(b) of the Indenture and its Pro Rata Share of any Compliance Charges and the fees of the Trustee ~~{, [the Program Monitor]}~~ and the Rebate Analyst as set forth in the Indenture to the extent such payments cannot be made from the Funds established for the payment thereof under the Indenture. In addition, the Borrower shall pay its Pro Rata Share of any amounts determined by the Trustee to be necessary to satisfy any deficiency in the OID Account.

(d) Payments of interest on the Participant Note shall be deposited by the Trustee into the Interest Account of the Bond Fund established under the Indenture. Payments of principal on the Participant Note shall be deposited into the Renewal Account established for the Borrower pursuant to the Indenture; provided, however, that from and after such time as the Bond Insurer determines that there has been a material adverse change in the credit profile of the Borrower and provides written notice of such to the Trustee, payments of principal shall instead be deposited by the Trustee into the Recycling Account established under the Indenture.

That portion of the payments of principal on the Participant Note which in accordance herewith are deposited by the Trustee in the Borrower's Renewal Account shall not be considered Repayments (as such term is defined in the Indenture) of the Loan to the Issuer but instead shall still be considered funds of the Borrower and interest payments shall still be owed by Borrower on such amounts under the terms of this Loan Agreement and the Participant Note.

Section 5.02. Additional Payments. In addition to payments due under Section 5.01, the Borrower agrees to pay to the Trustee from ~~{Lawfully Available Funds}~~ **Non-Ad Valorem Revenues**, upon demand of the Administrator on behalf of the Issuer, or Trustee the following additional payments:

(a) the fees and out-of-pocket expenses and disbursements of counsel utilized by the Issuer, the Bond Insurer and the Trustee in connection with the enforcement of this Loan Agreement upon any default by the Borrower;

(b) all taxes and other governmental charges in connection with the execution and delivery of this Loan Agreement, whether or not any amount due hereunder is then outstanding, including all recording and filing fees and stamp taxes relating to the pledge and assignment of the Issuer's right, title and interest in and to this Loan Agreement pursuant to the Indenture (and with the exceptions noted therein) and all expenses, including attorneys fees, relating to any amendments, waivers, consents or collection or enforcement proceedings pursuant to the provisions hereof; **and**

(c) **all Extraordinary Expenses:**

(i) **the Borrower=s Pro Rata Share of all fees and expenses (including attorney=s fees) of the Trustee and any paying agent, any registrar, authenticating agent or transfer agent for the Bonds not included in its regular fees;**

(ii) **all reasonable fees and expenses of the Issuer, the Trustee or the Insurer relating to the Loan Agreement, including but not limited to:**

(1) **the fees and disbursements of counsel utilized by the Issuer, the Insurer and the Trustee in connection with the Loan, the Loan Agreement and the Participant Note and the enforcement thereof;**

(2) **all other out-of-pocket expenses of the Trustee and the Issuer in connection with the Loan, the Loan Agreement and the Participant Note and the enforcement thereof;**

(3) **amounts owed by the Issuer under the Indenture with respect to any indemnification obligations to the Trustee or to any other entity under the Indenture;**

(4) **all costs and expenses of the Issuer, the Trustee or the Insurer, including fees and expenses of their attorneys and consultants, incurred in connection with an audit of the Bonds, the Swap Agreement or any aspect of the Issuer=s pooled loan program by the Internal Revenue Service, the Department of the**

Treasury, the Securities and Exchange Commission, or any successor agency of any of the foregoing or any state agency or department; and

(5) any other reasonable fees or expenses of the Issuer, the Insurer or the Trustee in connection with the Bonds, the Participant Notes, the Loans or the Bond Insurance.

The Borrower agrees to pay interest at the Default Rate to the affected party on any such additional payments enumerated above not received by the Issuer, the Bond Insurer, the Trustee or the Administrator, as the case may be, within 10 days of demand therefor.

The Borrower's accrued obligation to make the payments required by this Section shall survive payment or prepayment of the Participant Note and other amounts hereunder and termination of this Loan Agreement. Except as provided in Section 5.01(c) and this Section 5.02, the Borrower shall have no obligation to make payments to the Issuer or the Trustee in repayment of the Loan, except for the principal amount thereof, and interest at the Participant Rate.

Section 5.03. Determination of Interest Rate; Interest Limit. The determination by the Calculation Agent in accordance with the Indenture of the TBMA Index at any time, shall be conclusive and binding on the Borrower. Failure by the Trustee to give notice required hereunder, or any defect therein, shall not (i) affect the interest rate borne by the Bonds or the payment obligations of the Borrower hereunder, or (ii) impose any liability on the Trustee to the Borrower.

Notwithstanding the provisions of Sections 3.01, 5.01 and 5.02, the interest on the Participant Note shall not exceed the Maximum Rate.

Section 5.04. ~~Unconditional~~ Obligation To Pay Repayments. The obligation of the Borrower to make payment of Loan Repayments of any amounts required by this Article V and other Sections hereof ~~{or Prepayments from Lawfully Available Funds}~~ **from Non-Ad Valorem Revenues** and to perform and observe the other covenants and agreements contained herein, shall be absolute and unconditional in all events except as otherwise expressly provided in this Loan Agreement~~{Notwithstanding}~~, **including this Section 5.04. Subject to the provisions of this Section 5.04, notwithstanding** any dispute between the Borrower and the Issuer, the Trustee, the Administrator, the Bond Insurer, any Bondholder or any other person, the Borrower shall make all payments of Loan Repayments when due and shall not withhold any Loan Repayments pending final resolution of such dispute, nor shall the Borrower assert any right of set off or counterclaim against its obligation to make such payments required under this Loan Agreement.

Such covenant to make the Loan Repayments from Non-Ad Valorem Revenues of the Borrower is subject in all respects to the payment of obligations secured by a pledge of such Non-Ad Valorem Revenues heretofore or hereinafter entered into. Such covenant and agreement on the part of the Borrower to budget and appropriate such amounts of Non-Ad Valorem Revenues shall be cumulative, and shall continue until such Non-Ad Valorem Revenues or other legally available funds in amounts sufficient to make all required Loan Repayments, including delinquent Loan Repayments, shall have been budgeted, appropriated

and actually paid to the Trustee. The Borrower further acknowledges and agrees that the Indenture shall be deemed to be entered into for the benefit of the Holders of any of the Bonds and that the obligations of the Borrower to include the amount of any deficiency in Loan Repayments in each of its annual budgets and to pay such deficiencies from Non-Ad Valorem Revenues may be enforced in a court of competent jurisdiction in accordance with the remedies set forth herein and in the Indenture. Notwithstanding the foregoing or any provision of this Loan Agreement to the contrary, the Borrower does not covenant to maintain any services or programs now maintained by the Borrower which generate Non-Ad Valorem Revenues.

[To Be Discussed per MBIA suggested language: During such time as the Loan is outstanding hereunder which is secured by the covenant to budget and appropriate legally available Non-Ad Valorem Revenues, the Borrower agrees and covenants with the Issuer that: (i) Non-Ad Valorem Revenues (average of actual receipts over the prior two years) must cover projected maximum annual debt service on debt secured by and/or payable solely from such Non-Ad Valorem Revenues by at least [1.5x]; and (ii) projected maximum annual debt service requirements for all debt secured by and/or payable solely from such Non-Ad Valorem Revenues will not exceed [20%] of Governmental Fund Revenues (defined as general fund, special fund, debt service fund and capital projects funds), exclusive of (i) ad valorem revenues restricted to payment of debt service on any debt and (ii) any debt proceeds, and based on the Borrower's audited financial statements (average of actual receipts of the prior two years). For the purposes of these covenants maximum annual debt service means the lesser of the actual maximum annual debt service on all debt or [15%] of the original par amount of the debt, in each case, secured by Borrower Non-Ad Valorem Revenues. The Borrower agrees that, as soon as practicable upon the issuance of debt by the Borrower which is secured by its Non-Ad Valorem Revenues, it shall deliver to the Issuer and the Bond Insurer a certificate setting forth the calculations of the financial ratios provided in this section and certifying that it is in compliance with the provisions of this section.]

The Borrower's obligation to make payment of Loan Repayments or any other amounts during the Agreement Term shall not be abated through accident or unforeseen circumstances or because of payment (i) under the Bond Insurance Policy on the Borrower's behalf or (ii) by the Bond Insurer on the Borrower's behalf from sources other than payments under the Bond Insurance Policy. The Issuer and the Borrower agree that the Borrower shall bear all risk of damage or destruction in whole or in part to the Project or any part thereof, including without limitation any loss, complete or partial, or interruption in the use, occupancy or operation of the Project, or any manner or thing which for any reason interferes with, prevents or renders burdensome the use of the Project or the compliance by the Borrower with any of the terms of this Loan Agreement. Notwithstanding the foregoing, this Section 5.04 shall not limit the rights of the Borrower to recover amounts owing to it, except as specifically set forth herein. ~~{The}~~ Subject to the provisions of this Section 5.04, the Borrower does hereby obligate itself and its successors to budget annually a sum of money sufficient to make Loan Repayments required by this Loan Agreement, including any principal and/or interest on the Bonds theretofore matured and unpaid and to ~~{levy and}~~ collect ~~{taxes or other}~~ revenues within the limits prescribed by law from time to time, sufficient to make such Loan Repayments.

Anything in this Loan Agreement to the contrary notwithstanding, it is understood and agreed that all obligations of the Borrower hereunder shall be payable only from Non-Ad Valorem Revenues budgeted and appropriated as provided for hereunder and nothing herein shall be deemed to pledge ad valorem taxation revenues or to permit or constitute a mortgage or lien upon any assets owned by the Borrower and no Bondholder or any other person, including the Issuer, the Trustee or the Bond Insurer, may compel the levy of ad valorem taxes on real or personal property within the boundaries of the Borrower. The obligations hereunder do not constitute an indebtedness of the Borrower within the meaning of any constitutional, statutory or charter provision or limitation, and neither the Trustee, the Issuer, the Bond Insurer, or the Bondholders or any other person shall have the right to compel the exercise of the ad valorem taxing power of the Borrower or taxation of any real or personal property therein for the payment by the Borrower of its obligations hereunder. Except to the extent expressly set forth in this Loan Agreement, this Loan Agreement and the obligations of the Borrower hereunder shall not be construed as a limitation on the ability of the Borrower to pledge or covenant to pledge said revenues or any revenues or taxes of the Borrower for other legally permissible purposes. Notwithstanding any provisions of this Agreement, the Indenture or the Bonds to the contrary, the Borrower shall never be obligated to maintain or continue any of the activities of the Borrower which generate user service charges, regulatory fees or any Non-Ad Valorem Revenues. Neither this Loan Agreement nor the obligations of the Borrower hereunder shall be construed as a pledge of or a lien on all or any legally available Non-Ad Valorem Revenues of the Borrower, but shall be payable solely as provided herein and is subject in all respects to the provisions of Section 166.241, Florida Statutes, and is subject, further, to the payment of services and programs which are for essential public purposes affecting the health, welfare and safety of the inhabitants of the Borrower, and shall be expressly limited to the Loan Repayments of the Borrower and the Borrower shall have no joint liability with any other Borrower or the Issuer for any of their respective liabilities, except to the extent expressly provided hereunder.

The Issuer and the Borrower understand that the amounts available to be budgeted and appropriated to make Loan Repayments hereunder is subject to the obligation of the Borrower to provide essential services; however, such obligation is cumulative and would carry over from fiscal year to fiscal year.

Section 5.05. Application of Repayments. Repayments of principal and interest on the Participant Note shall be applied as provided herein and in the Participant Note.

Section 5.06. Agreement To Survive Indenture and Bonds. The Borrower acknowledges that its obligations hereunder shall survive the discharge of the Indenture and payment of the principal of and interest on the Bonds, if and to the extent that amounts are due and owing to any party entitled to receive the same hereunder as of the date of such discharge and payment.

ARTICLE VI

TITLE TO PROJECT

Section 6.01. Title To Protect. Title to the Project will be and remain in the Borrower. The Borrower shall have the right to convey the Project to any other Persons, subject to the limitations contained in other provisions of this Loan Agreement. Upon any such conveyance not permitted hereby, the Borrower shall prepay its Participant Note and the Trustee shall, subject to the provisions of the Indenture, use such prepayments to redeem Bonds prior to maturity on the next available redemption date. The Trustee shall never deposit such prepayments in the Recycling Account under the Indenture unless the Borrower and the Trustee shall have received Favorable Opinions of Bond Counsel with respect to such deposit.

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ARTICLE VII

DISCLAIMER OF WARRANTIES; VENDOR'S WARRANTIES

Section 7.01. Disclaimer of Warranties. NEITHER THE ISSUER, THE TRUSTEE, THE BOND INSURER NOR ANY ADMINISTRATOR MAKES ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF THE PROJECT OR ANY PORTION THEREOF OR ANY WARRANTY WITH RESPECT THERETO. In no event shall the Issuer, the Bond Insurer, any Administrator or the Trustee be liable for any incidental, indirect, special or consequential damage in connection with or arising out of the existence, furnishing, functioning or the Borrower's use of the Project or any item or products or services provided for in this Loan Agreement.

Section 7.02. Warranties. The Borrowers sole remedy for the breach of any warranty, right of indemnification or representation relating to the Project or any part thereof shall be against the vendors, manufacturers, installers or construction contractors of the Project and not against the Issuer, the Trustee, the Bond Insurer, any Administrator or any Bondholder, nor shall such matter have any effect whatsoever on the rights and obligations of the Borrower or the Issuer with respect to this Loan Agreement. The Borrower expressly acknowledges that neither the Issuer, the Trustee, the Bond Insurer nor any Administrator makes, or has made, any representation or warranties whatsoever as to the existence or availability of any such warranties of such vendors, manufacturers, installers and construction contractors.

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ARTICLE VIII

OPTION TO PREPAY LOAN REPAYMENTS

Section 8.01. Prepayment.

(a) The principal amount of the Loan and the Participant Note shall be subject to optional prepayment prior to maturity, in whole or in part, on any Business Day, in an amount equal to the outstanding par amount thereof, plus accrued interest to the date of redemption. Thirty days prior written notice of such prepayment shall be provided to the Bond Insurer, the Trustee and the Administrator by the Borrower. In the event of any reductions and deemed prepayment, the annual principal installments on the Participant Note shall be reduced in inverse order of maturity based upon the remaining principal outstanding on the Participant Note, as nearly as practical within \$5,000 denominations.

(b) Any prepayment pursuant to any provision of this Loan Agreement shall be made only from Available Moneys. Upon any prepayment in whole of the applicable Participant Note with Available Moneys, this Loan Agreement shall terminate, except for the obligations and covenants expressed herein to survive.

(c) After any partial prepayment, the Trustee shall recalculate principal installments due under the Participant Note, applying such prepayment to the Schedule of Principal Installments attached to the Participant Note, in inverse order of maturity, unless the Bond Insurer shall specify a different application and revised schedule of remaining Loan Repayments; provided, however, that no such revision to the schedule of remaining Loan Repayments shall extend the average life of the Loan in violation of the requirements of the Tax Agreement. Any prepayment in part shall be in the minimum principal amount of \$100,000.

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ARTICLE IX

ASSIGNMENT

Section 9.01. Assignment By Issuer; Administrator.

(a) This Loan Agreement, the Participant Note, and the obligations of the Borrower to make payments hereunder and thereunder may be assigned and reassigned in whole or in part to one or more assignees or subassignees by the Issuer, the Bond Insurer or the Trustee at any time subsequent to its execution without the necessity of obtaining the consent of the Borrower. The Borrower expressly acknowledges that this Loan Agreement, the Participant Note, and the obligations of the Borrower to make payments hereunder and thereunder (with the exception of certain of the Issuer's rights to indemnification, fees and expenses) have been assigned to the Trustee as security for the Bonds and for the Bond Insurer under the Indenture and that the Trustee shall be entitled to act hereunder and thereunder in the place and stead of the Issuer whether or not the Bonds are in default. In addition, the Borrower acknowledges that the Issuer will appoint an Administrator in writing which shall be entitled to act hereunder in the place and stead of the Issuer or the Trustee, to the extent of such appointment.

(b) Upon receipt of notice of any assignment of this Loan Agreement to the Bond Insurer or upon payment of the Bonds in full by the Bond Insurer, the Issuer will make all payments required by Article V directly to the Bond Insurer, without defense or set off by reason of any dispute between the Borrower and the Issuer, the Trustee, the Administrator or any other person; provided, however that any such payments relating to indemnification and reimbursement of the respective parties shall be made by the Borrower to the Trustee without defense or set off by reason of any dispute between the Borrower and the Bond Insurer, the Issuer, the Administrator or any other person. If less than full payment is made by the Bond Insurer, the Borrower will make pro-rata payments to the Bond Insurer and the Trustee, and as promptly as possible authenticate and deliver a new Participant Note to the Bond Insurer and the Trustee representing their respective interests in the Participant Note.

Section 9.02. Payment By the Bond Insurer. The Borrower acknowledges that payment from amounts paid by the Bond Insurer under the Bond Insurance Policy do not constitute payment of amounts due hereunder for the purposes hereof or fulfillment of its obligations hereunder.

Section 9.03. Assignment by Borrower. This Loan Agreement and the Participant Note may not be assigned by the Borrower for any reason without the express prior written consent of the Issuer, the Bond Insurer and Trustee.

ARTICLE X

EVENTS OF DEFAULT AND REMEDIES

Section 10.01. Events of Default Defined. The following shall be "Events of Default" under this Loan Agreement and the terms "Event of Default" and "Default" shall mean (except where the context clearly indicates otherwise), whenever they are used in this Loan Agreement, any one or more of the following events:

(a) Failure by the Borrower to timely pay any Loan Repayment ~~{or any other payment required to be paid hereunder}~~ on the date on which it is due and payable **or upon five (5) business days written notice of any other payment required to be paid hereunder;**

(b) Failure by the Borrower to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Loan Agreement, other than a covenant referred to in Section 10.01 (a) or 10.01 (c) through (g), for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied is given to the Borrower by the Bond Insurer, the Administrator or the Trustee, unless the Administrator, the Bond Insurer, and the Trustee shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice can be wholly cured within a period of time not materially detrimental to the rights of the Issuer, the Bond Insurer or the Trustee, but cannot be cured within the applicable 30-day period, the Administrator, the Bond Insurer and the Trustee will not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the Borrower within the applicable period and diligently pursued until the failure is corrected;

(c) ~~{Proceedings are instituted by the Florida League of Cities to appoint a fiscal administrator.}~~ **[Reserved].**

(d) Any warranty, representation or other statement by the Borrower or by an officer or agent of the Borrower contained in this Loan Agreement, the Participant Note, or in any instrument furnished in compliance with or in reference to this Loan Agreement or the Participant Note, is false or misleading in any material respect;

(e) A petition is filed against the Borrower under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, and is not dismissed within 60 days of such filing;

(f) The Borrower files a petition in voluntary bankruptcy or seeking relief under any provision of any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, or consents to the filing of any petition against it under any such law;

(g) The Borrower admits insolvency or bankruptcy or its inability to pay its debts as they become due or is generally not paying its debts as such debts become due, or becomes insolvent or bankrupt or makes an assignment for the benefit of creditors, or a custodian (including without

limitation a receiver, liquidator or trustee) of the Borrower or any of its property is appointed by court order or takes possession thereof and such order remains in effect or such possession continues for more than 60 days; or

(h) Any material provision of this Loan Agreement or the Participant Note shall at any time for any reason cease to be valid and binding on the Borrower, or shall be declared to be null and void, or the validity or enforceability of any such provision shall be contested in any administrative or judicial proceeding by the Borrower or any governmental agency or authority (other than the Issuer), or if the Borrower shall deny the validity or enforceability of any such provision or any further liability or obligation under this Loan Agreement or the Participant Note.

Section 10.02. Notice of Default. The Borrower agrees to give the Trustee, the Bond Insurer, the Issuer and the Administrator prompt written notice if any petition, assignment, appointment or possession referred to in subsections 10.01(c), (e), (f) or (g) is filed by or against the Borrower or of the occurrence of any other event or condition which constitutes a Default or an Event of Default, or with the passage of time or the giving of notice or both would constitute an Event of Default, immediately upon becoming aware of the existence thereof.

Section 10.03. Remedies on Default. Whenever any Event of Default referred to in Section 10.01 hereof shall have happened and be continuing, the Issuer or the Trustee shall, in addition to any other remedies herein or by law provided, have the right, at its or their option without any further demand or notice, to take such steps and exercise such remedies as shall be directed by the Bond Insurer, including, without limitation, one or more of the following:

(a) Take any action permitted or required pursuant to the Indenture, including, upon written direction from the Bond Insurer, and notice to the Administrator, [acceleration of the Outstanding Balance] and all other amounts which the Borrower is obligated to pay under the Loan Agreement; and

(b) Take whatever other action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due hereunder or to enforce any other of its or their rights hereunder.

Section 10.04. Attorneys' Fees and Other Expenses. The Borrower shall on demand pay to the Issuer, the Bond Insurer, the Trustee or the Administrator the reasonable fees and expenses of attorneys and other reasonable expenses incurred by any of them in the collection of Loan Repayments or any other sums due or the enforcement of performance of any other obligations of the Borrower upon an Event of Default. The provisions of this Section 10.04 shall survive the termination of this Loan Agreement and the payment in full of the Participant Note.

Section 10.05. Application of Moneys. Any moneys collected by the Issuer, the Trustee, the Bond Insurer or the Administrator pursuant to Section 10.03 hereof shall be applied (a) first, to any reasonable attorneys' fees or other expenses owed by the Borrower to the Issuer, the Trustee, the Bond Insurer or the Administrator pursuant to Section 10.04 hereof, pro rata based on the amount of such expenses owed, provided that fees of the attorneys to the Issuer, the Trustee, and/or the

Administrator shall not be payable hereunder unless the attorney for the Bond Insurer shall decline to represent any or all of such parties as well as the Bond Insurer, (b) second, to pay any interest due on the Participant Note, (c) third, to pay principal due on the Participant Note, (d) fourth, to pay ~~and~~ any other amounts due hereunder, and (e) fifth, to pay interest and principal on the Participant Note and other amounts payable hereunder but which are not due, as they become due (in the same order, as to amounts which come due simultaneously, as in (a) through (d) in this Section 10.05).

Section 10.06. No Remedy Exclusive; Waiver; Notice. No remedy herein conferred upon or reserved to the Issuer, the Bond Insurer, the Trustee or the Administrator is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right, remedy or power accruing upon any Default shall impair any such right, remedy or power or shall be construed to be a waiver thereof, but any such right, remedy or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer, the Bond Insurer or the Trustee or the Administrator to exercise any remedy reserved to it in this Article X, it shall not be necessary to give any notice other than such notice as may be required in this Article X.

Section 10.07. Retention of The Issuer's Rights. Notwithstanding any assignment or transfer of this Loan Agreement pursuant to the provisions hereof or of the Indenture, or anything else to the contrary contained herein, the Issuer shall have the right upon the occurrence of an Event of Default to take any action, including, without limitation, bringing an action against the Borrower at law or in equity, as the Issuer may, in its discretion, deem necessary to enforce the obligations of the Borrower to the Issuer pursuant to Section 10.04.

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ARTICLE XI

EXCESS FUNDS

Section 11.01. Excess Funds. Any amounts remaining in the Trust Estate (as defined in the Indenture) after (a) full payment of the Bonds or provision for payment thereof so that no Bonds are deemed outstanding under the Indenture; (b) all amounts owed to the Bond Insurer under the Bond Insurance Policy have been paid; and (c) all fees, charges and expenses listed in Section 5.09 of the Indenture have been paid, shall, after being held for 124 days during which time no Bankruptcy Filing (as defined in the Indenture) has occurred, after such full payment or provision shall have been made and no claim shall have been made thereon, be rebated by the Trustee to the Issuer.

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ARTICLE XII

MISCELLANEOUS

Section 12.01. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when hand delivered or mailed by registered or certified mail, postage prepaid, to the parties at the following addresses:

The Issuer: Florida Municipal Loan Council
c/o The Florida League of Cities
301 South Bronough Street
Tallahassee, Florida 32302-1757

The Borrower:

The Administrator: Florida League of Cities
301 South Bronough Street
Tallahassee, Florida 32302-1757

The Trustee:

S&P: Standard & Poor's Ratings Group
Municipal Finance Department
25 Broadway
New York, New York 10004
Attention: Rating Desk

Moody's: Moody's Investors Service, Inc.
99 Church Street
New York, New York 10007
Attention:

Bond Insurer: MBIA Insurance Corp.
113 King Street
Armonk, New York 10504
Attention:

Insurance Paying Agent:

Underwriters: J.P. Morgan Securities, Inc.
390 North Orange Avenue, Suite 1850
Orlando, Florida 32801

Gardnyr Michael Capital
110 Montlimar Drive, Suite 510
Mobile, Alabama 36609

Any of the above parties may, by notice in writing given to the others, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 12.02. Binding Effect. This Loan Agreement shall inure to the benefit of and shall be binding upon the Issuer, the Bond Insurer and the Borrower and their respective successors and assigns.

Section 12.03. Severability. In the event any provision of this Loan Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 12.04. Amendments, Changes And Modifications. This Loan Agreement and the Participant Note may be amended by the Issuer and the Borrower as provided in Article XIII of the Indenture.

Section 12.05. Execution in Counterparts. This Loan Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 12.06. Applicable Law. This Loan Agreement shall be governed by and construed in accordance with the law of the State of Florida.

Section 12.07. Benefit of Bondholders And The Bond Insurer; Compliance With Indenture. This Loan Agreement is executed in part to induce the purchase by others of the Bonds and the issuance by the Bond Insurer of the Bond Insurance Policy. Accordingly, all covenants agreements and representations on the part of the Borrower and the Issuer, as set forth in this Loan Agreement, are hereby declared to be for the benefit of the holders from time to time of the Bonds, and for the benefit of the ~~(Bank and the)~~ Bond Insurer. The Borrower covenants and agrees to do all things within its power in order to comply with and to enable the Issuer to comply with all requirements and to fulfill and to enable the Issuer to fulfill all covenants of the Indenture.

Section 12.08. Consents And Approvals. Whenever the written consent or approval of the Issuer shall be required under the provisions of this Loan Agreement, such consent or approval may

be given by the Chairman or Vice Chairman of the Issuer or such other additional person provided by law or by rules or regulations of the Issuer.

Section 12.09. Immunity of Officers, Employees And Members of Issuer And Borrower. No recourse shall be had for the payment of the principal of or premium or interest on the Participant Note or for any claim based thereon or upon any representation, obligation, covenant or agreement in this Loan Agreement against any past, present or future officer, member, employee, director or agent of the Issuer or the Borrower, respectively, of any successor public or private corporation thereto, as such, either directly or through the Issuer or the Borrower, respectively, any successor public or private corporation thereto under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, members, employees, directors or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of this Loan Agreement and the issuance of the Participant Note.

Section 12.10. Captions. The captions or headings in this Loan Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Loan Agreement.

Section 12.11. Pecuniary Liability of Issuer. No provision, covenant or agreement contained in this Loan Agreement on behalf of the Issuer, or any obligation herein imposed upon the Issuer, or the breach thereof, shall constitute an indebtedness or liability of the State or any governmental entities of the State or any public corporation or governmental agency existing under the laws thereof other than the Issuer. In making the agreements, provisions and covenants set forth in this Loan Agreement, the Issuer has not obligated itself except with respect to the application of the revenues, income and all other property as derived herefrom, as hereinabove provided.

Section 12.12. Payments Due on Holidays. If the date for making any payment or the last date for performance of any act or the exercise of any right, as provided in this Loan Agreement, shall be a day other than a Business Day, such payments may be made or act performed or right exercised on the next Business Day with the same force and effect as if done on the nominal date provided in this Loan Agreement.

Section 12.13. Right of Others to Perform Borrower's Covenants. In the event the Borrower shall fail to make any payment or perform any act required to be performed hereunder, then and in each such case the Issuer, the Trustee or the Bond Insurer may (but shall not be obligated to) remedy such default for the account of the Borrower and make advances for that purpose. No such performance or advance shall operate to release the Borrower from any such default and any sums so advanced by the Issuer, the Trustee or the Bond Insurer shall bear interest from the date of the advance until repaid as provided herein. The Administrator, the Bond Insurer, or the Trustee shall have the right to enter the Borrower's premises in order to effectuate the purposes of this Section.

Section 12.14. Termination of ~~(The)~~ the Bond Insurer's Rights. The Bond Insurer agrees to execute such instruments terminating its interests under this Loan Agreement and/or assigning its

rights, title and interests under this Loan Agreement as may be reasonably requested of it, provided it has been paid, or is satisfied in its uncontrolled discretion that it will be paid, all amounts then due and owing or which may thereafter become due and owing to it under this Loan Agreement and the Indenture.

Section 12.15. Defaults of Bond Insurer. If at any time the Bond Insurer shall be in default of its payment obligations under its Bond Insurance Policy, then all rights herein expressed on behalf of the Bond Insurer to consent to or authorize actions to be taken shall automatically vest in the Issuer rather than the Bond Insurer until such default is cured.

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IN WITNESS WHEREOF, the Florida Municipal Loan Council has caused this Loan Agreement to be executed in its name with its seal hereunto affixed and attested by its duly authorized officers, and _____ has caused this Loan Agreement to be executed in its name with its seal hereunto affixed and attested by its duly authorized officers. All of the above occurred as of the date first above written.

FLORIDA MUNICIPAL LOAN COUNCIL,
Lender

Attest:

By: _____
Name: _____
Title: Chairman

By: _____
Name: _____
Title: Secretary

Borrower

By: _____
Name: _____
Title: _____

EXHIBIT A

PROJECTS

The proceeds from this issue will be used to fund the following projects:

Fleet and heavy equipment acquisitions	\$ 2,000,000
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EXHIBIT B
FORM OF NOTE

[Date of ~~{First Draw}~~ **Closing**]

FOR VALUE RECEIVED, the undersigned, _____ (the "Borrower") promises to pay to the order of the Florida Municipal Loan Council (the "Issuer"), or its successors and assigns, a principal sum equal to the total of all amounts ~~{disbursed}~~ **allocated** to the Borrower ~~{from}~~ **in** the Reservation Account (as defined in the Loan Agreement, hereinafter defined) established for the Borrower as shown on Schedule I attached hereto, with interest on the principal amount ~~{of each disbursement from the date of such disbursement}~~ at the Participant Rate defined in the Loan Agreement and determined pursuant to Section 6.04 of the Indenture on the unpaid balance until paid, all in accordance with, **and subject to**, the provisions of ~~{Section 5.01}~~ **Article V** of the Loan Agreement dated as of _____, 2000 (the "Loan Agreement") by and between the Issuer and the Borrower. All loan payments shall be payable in immediately available funds at the principal corporate trust office of _____, _____, _____ (the "Trustee"). Principal installments and interest shall be paid ~~{one}~~ **(1)** Business Day prior to ~~{the first day of each month (the)}~~ **each** 1, _____, 1, _____, 1, and _____ **1, with the initial payment due** 1, 200 **(each a "Loan Repayment Date")**. All capitalized terms used but not defined herein shall have the definition given them in the Loan Agreement.

Payments in an amount equal to the principal due hereunder shall be payable in ~~{monthly}~~ **quarterly** installments as set forth on Schedule II (the "Schedule of Principal Installments") attached hereto ~~{, commencing one (1) Business Day prior to the first day of the month following the month in which the Borrower receives its first disbursement from the Reservation Account}~~. The Trustee shall notify the Borrower seven (7) days prior to the Loan Repayment Date for such ~~{month}~~ **quarter** of the amount of interest owed hereunder to but excluding such Loan Repayment Date. Such amount shall be calculated by the Trustee as set forth in Section 6.04(h) of the Indenture. As provided in Section 5.01 (d) of the Loan Agreement, all payments of interest shall be deposited by the Trustee into the Interest Account of the Bond Fund established under the Indenture and all payments of principal shall be deposited by the Trustee in the Renewal Account to be used by the Borrower in accordance with the Indenture; provided, however, that from and after such time as the Bond Insurer determines that there has been a material adverse change in the credit profile of the Borrower, payments of principal shall instead be deposited by the Trustee into the Recycling Account established under the Indenture.

That portion of the payments of principal on the Participant Note which in accordance herewith are deposited by the Trustee in the Borrower's Renewal Account shall not be considered Repayments (as such term is defined in the Indenture) of the Loan to the Issuer but instead shall still be considered funds of the Borrower and interest payments shall still be owed by Borrower on such amounts under the terms of this Loan Agreement and the Participant Note. Principal payments deposited by the Trustee in the Recycling Account under the Indenture shall be considered Repayments of the Loan.

An amount equal to the entire principal amount disbursed to the Borrower under the Loan Agreement as evidenced on the Schedule of Advances, to the extent such Repayments have not already been made by the Borrower, shall be fully due and payable on one (1) Business Day prior to the first day of _____, 20___. Unpaid interest which shall have accrued through the last day ~~of a~~ **of a** Loan Payment Period (as defined in the Loan Agreement) preceding the Loan Repayment Date shall be calculated at the Participant Rate defined in the Loan Agreement, unless otherwise provided in the next succeeding sentence. Notwithstanding the foregoing sentence, if (i) any payment of principal and interest (a "Loan Repayment") due hereunder shall not be paid within ten (10) calendar days of the Loan Repayment Date, accrued but unpaid interest on the principal portion of said Loan Repayment shall be calculated at the Default Rate (as defined in the Loan Agreement) or (ii) if all Loan Repayments are declared to be immediately due and payable, accrued but unpaid interest on the outstanding principal amount of this Note shall be calculated at the Default Rate.

The Borrower shall have the right to prepay the principal amount hereof, in accordance with the terms and conditions set forth in Section 8.01 of the Loan Agreement and upon payment of interest due on the amount prepaid.

All payments hereon shall be applied first to accrued interest then payable and then to the installments of principal due hereunder in **[inverse order of maturity]**, unless the Bond Insurer shall specify a different application, as provided in the Loan Agreement.

This Note is a ~~{full and unlimited}~~ **limited** obligation of the Borrower issued pursuant to, **and payable as provided in**, the Loan Agreement, the terms and provisions of which, including those in connection with default by the Borrower, are incorporated herein by reference.

The Borrower hereby waives presentment for payment, demand, protest, notice & protest and notice of dishonor.

This Note and all instruments securing the same are to be construed according to the law of the State of Florida.

Signed and sealed this ____ day of _____, 2000.

[Borrower]

[SEAL]

By: _____
Name: _____
Title: _____

Attest:

By: _____
Name: _____
Title: _____

ENDORSEMENT

FOR VALUE RECEIVED, the Florida Municipal Loan Council (the "Issuer") hereby sells, assigns and transfers this Note unto _____, _____, _____ (the "Trustee"), as trustee under that certain Supplemental Indenture of Trust No. 1 dated as of _____ 1, 2000 and by and between the Issuer and the Trustee, this Note to be held by the Trustee under the terms and conditions set forth in the Indenture and constitute a part of the Trust Estate, as defined therein.

FLORIDA MUNICIPAL LOAN COUNCIL

By: _____

Name: _____

Title: Chairman

SCHEDULE I
SCHEDULE OF ADVANCES

SCHEDULE II
SCHEDULE OF PRINCIPAL INSTALLMENTS

EXHIBIT C
[TO COME]

EXHIBIT D

CERTIFICATE OF BORROWER
IN CONNECTION WITH LOAN TO FINANCE PROJECT

I, the undersigned _____ of _____
_____ (the "Borrower") and the undersigned _____ of the
Borrower do hereby certify and covenant as follows:

1. The undersigned, _____, is the duly appointed, qualified and acting of
the Borrower and the undersigned, _____, is the duly appointed, qualified and acting _____
_____ of the Borrower and such officials are familiar with and have access to the books
and corporate records of the Borrower.

2. The persons named below are the duly appointed and qualified _____
_____ of the Borrower and are presently serving the terms which commenced
and which will expire as indicated to the right of their respective names:

Name of _____	Date of Commencement of Term _____	Date of Expiration of Term _____
------------------	--	--

3. The persons set forth in Exhibit A attached hereto are the duly elected and qualified
officers of the Borrower holding the office stated opposite their respective names and the signatures
appearing on said Exhibit A are genuine signatures of said officers.

4. The _____ and _____ of the Borrower by
their manual signatures duly executed and attested the execution of the Loan Agreement (the "Loan
Agreement") dated as of _____, by and between Borrower and the Florida Municipal
Loan Council (the "Issuer").

[5. The information in the Preliminary Official Statement and the Official Statement
relative to the Borrower does not contain any untrue statement or a material fact or omit to state any
material fact necessary in order to make the statements contained therein, in light of the
circumstances under which they were made, not misleading;]

6. The _____ is the regular meeting date of the Borrower, said
meetings to commence at _____. All meetings of the _____ of
the Borrower, including meetings at which action was taken with respect to the Loan Agreement,
have been open to the public in accordance with the provisions of _____
_____.

7. All approvals required to be obtained by the Borrower in connection with the execution of the Loan Agreement have been obtained and are in full force and effect as of the date hereof.

8. Any certificate signed by any officer of the Borrower delivered to the Issuer shall be deemed a representation of the Borrower to the Issuer as to the statements made therein.

~~9. The official journal of the Borrower is, a daily newspaper published in the and of general circulation in, Florida, having been so designated by resolution duly and legally adopted by the of the Borrower.~~

~~10. The seal affixed to this certificate and the Loan Agreement is the official seal of the Borrower.~~

IN WITNESS WHEREOF, the undersigned have hereunto set the official seal of the Borrower and their signatures as of _____ day of _____, ____.

By: _____
Name: _____
Title: _____

(SEAL)

By: _____
Name: _____
Title: _____

EXHIBIT "A"
OFFICERS OF

NAME

OFFICE

SIGNATURE

EXHIBIT E

INSURANCE COVERAGE PROVISIONS

Borrower must provide, maintain and pay for broad form all risk blanket property damage insurance against the loss or damage to any portion of the Project in an amount not less than the repair or replacement cost thereof. A Self-insurance program may be used to satisfy the requirements hereof if approved by the Issuer.

Borrower must also provide, maintain, and pay for public liability and property damage insurance naming the Issuer and its assigns as an additional insured as regards the negligence of Borrower. Such policy must cover liability for personal injury and property damage and provide coverage in an amount not less than that customarily carried by the Borrower for other assets similar to the Project. Each policy required pursuant hereto must contain the insurer's agreement to give thirty ~~((30))~~(30) days written notice to the Issuer or its assigns before any cancellation of, or material change to, any required policy.

Borrower agrees to provide certificates of insurance or copies of the policies to the Issuer. The proceeds of the insurance covering the Project must be applied toward the replacement, restoration, or repair of the Project. Borrower appoints the Issuer as Borrowers attorney-in-fact to make claim for, receive payment of, and execute and endorse all documents, checks, or drafts for loss or damage to the Project under any insurance policy required pursuant hereto.

EXHIBIT F

REQUEST FOR ADVANCE

The undersigned, the duly authorized _____ of _____ (the "Borrower"), submits this Request for Advance on behalf of the Borrower for \$ _____ pursuant to Section 3.02 of that certain Loan Agreement by and between the Florida Municipal Loan Council (the "Issuer") and the Borrower dated as of _____ 1, 2000 (the "Loan Agreement") and relating to the Issuer's Capital Projects and Equipment Acquisition Program (the "Program"). The Trustee shall disburse the amount requested herein to [list parties, including Borrower] for the following purpose[s]:

_____ (the "Equipment").

Attached hereto as composite Exhibit A are certain documents which, among other things, verifies that the amount requested herein does not exceed the Cost (as defined in the Loan Agreement) paid or incurred by the Borrower for such Equipment prior to the disbursement of the funds requested herein and, when disbursed, the total amount disbursed to such Borrower pursuant to Section 3.02 of the Loan Agreement does not exceed the Borrower's Loan amount set forth in Section 3.01 of the Loan Agreement unless a writing has been attached hereto signed by the Administrator and the Bond Insurer stating that the Borrower is eligible for such amount.

The undersigned, on behalf of the Borrower, hereby certify that:

1. The Project (as described herein and in Exhibit A) has been purchased, constructed or installed by the Borrower and payment therefore is due and owing or has been previously paid by Borrower ~~{and the disbursement of the funds herein requested has been approved by the Issuer at its meeting on ,2000, a copy of such approval being attached hereto as Exhibit B.}~~.

2. To the extent amounts, if any, requested herein are being used to reimburse the Borrower for Equipment previously purchased, such Equipment was purchased by the Borrower no earlier than _____, ~~{~~2000 and evidence of the purchase thereof is contained in Exhibit A attached hereto.

3. The Borrower is a governmental ~~{entities}~~ **entity** validly existing and in good standing under the laws of the State of Florida, with full power and authority to own its properties and conduct its business as presently owned and conducted and, to the best of our knowledge, after due inquiry, is not in violation of any laws material to the transactions contemplated by the Loan Agreement, this Request for Advance, or any provisions of law material to the transactions contemplated by the Loan Agreement and this Request for Advance, and has all requisite power and authority to execute and deliver this Request for Advance.

4. The Borrower has obtained all necessary permits, licenses and certifications to continue the conduct of its operations and to undertake the actions which will be financed from the funds to be disbursed hereunder.

5. The Loan Agreement and the Participant Note (as defined in the Loan Agreement) are in full force and effect and continue to be valid, enforceable and legally binding obligations of the Borrower, enforceable in accordance with their respective terms, except to the extent that the enforceability thereof may be limited by laws relating to bankruptcy, insolvency or other similar laws affecting creditors' rights generally and the Borrower has received all consents, approvals and authorizations of governmental authorities or agencies required for incurring the debt represented by such documents, including amounts which will become outstanding pursuant to this Request for Advance, and/or the continued performance of such documents.

6. There is no litigation or legal or governmental action, proceeding, inquiry or investigation pending or, to the best knowledge of the undersigned after due inquiry, threatened by governmental authorities to which the Borrower is a party or of which any property of the Borrower is subject which, if determined adversely to the Borrower, individually or in aggregate (i) affect the validity or enforceability of the Loan Agreement or the Participant Note (as defined in the Loan Agreement) or (ii) otherwise materially and adversely affect the ability of the Borrower to comply with its obligations under the Loan Agreement or the Participant Note (as defined in the Loan Agreement).

7. The representations and warranties of the Borrower set forth in the Loan Agreement are true and correct on the date hereof; and the Borrower is in compliance with all terms, covenants and conditions of the Loan Agreement on the date hereof.

8. The Borrower does not plan to use, or permit the use of, the Project except as permitted by the Loan Agreement.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands and affixed the seal of the Borrower, duly attested this _____ day of _____, 2000.

[NAME OF BORROWER]

[SEAL]

By: _____
Name: _____
Title: _____

Attest:

By: _____
Name: _____
Title: _____

cc: Administrator
Bond Insurer

EXHIBIT G

OPINION OF BORROWER'S COUNSEL

[Letterhead of Counsel to Borrower]

_____, 2000

Florida Municipal Loan Council
c/o League of Cities, Inc.
301 Bronough Street
Tallahassee, Florida 32301

[TRUSTEE]

Bryant, Miller and Olive, P.A.
101 East Kennedy Blvd., Suite 2100
Tampa, Florida 33602

MBIA Insurance Corporation
113 King Street
Armonk, New York 10504

Ladies and Gentlemen:

We are counsel to [Name of Borrower], Florida (the "Borrower"), and have been requested by the Borrower to give this opinion in connection with the loan by the Florida Municipal Loan Council (the "Council") to the Borrower of funds to finance or refinance or reimburse the Borrower for all or a portion of the cost of a certain Project (the "Project") as defined in, and as described in Exhibit A of, the Loan Agreement, dated as of _____, 2000 (the "Loan Agreement"), between the Council and the Borrower.

In this connection, we have reviewed such records, certificates and other documents as we have considered necessary or appropriate for the purposes of this opinion, including applicable laws, local applicable Charters and ordinances adopted by the [name of governing board] of the Borrower, the Loan Agreement, an Indenture of Trust dated as of _____, 2000 (the "Indenture") between the Council and _____, as trustee (the "Trustee") and Resolution No. _____ adopted by the Borrower on _____, 199 (the "Resolution"). Based on such review, and such other considerations of law and fact as we believe to be relevant, we are of the opinion that:

(a) The Borrower is a Municipality duly organized and validly existing under the Constitution and laws of the State of Florida and under the provisions of the Constitution and laws of the State of Florida. The Borrower has the legal right and all requisite power and authority to enter into the Loan Agreement, to adopt the Resolution and to consummate the

transactions contemplated thereby and otherwise to carry on its activities and own its property.

(b) The Borrower has duly authorized, executed and delivered the Resolution and the Loan Agreement is a legal and binding obligation of the Borrower enforceable against the Borrower in accordance with its terms, except to the extent that the enforceability hereof may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights heretofore or hereafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity, and to the sovereign police powers of the State of Florida and the constitutional powers of the United States of America.

(c) The Borrower has duly covenanted in the Loan Agreement to make the Loan Repayments from its Non-Ad Valorem Revenues and such covenant is legally valid and binding.

(d) The execution and delivery of the Resolution, and the Continuing Disclosure Agreement and the Loan Agreement, the consummation of the transactions contemplated thereby, the purchase or construction of the Project or the reimbursement for costs of the acquisition or construction thereof or the refinancing of the indebtedness to be refinanced with the proceeds of the loan and the fulfillment of or compliance with the terms and conditions of the Loan Agreement and the Continuing Disclosure Agreement does not and will not conflict with or result in a material breach of or default under any of the terms, conditions or provisions of any agreement, contract or other instrument, or law, ordinance, regulation, or judicial or other governmental order, to which the Borrower is now a party or it or its properties is otherwise subject or bound, and the Borrower is not otherwise in violation of any of the foregoing in a manner material to the transactions contemplated by the Loan Agreement.

(e) There is no litigation or legal or governmental action, proceeding, inquiry or investigation pending or, to the best of our knowledge, threatened by governmental authorities or to which the Borrower is a party or of which any property of the Borrower is subject, which has not been disclosed in writing to the Council and the Bond Insurer and which, if determined adversely to the Borrower, would individually or in the aggregate materially and adversely affect the validity or the enforceability of the Loan Agreement.

(f) Any indebtedness being refinanced, directly or indirectly, with the proceeds of the Loan was initially incurred by the Borrower, and the proceeds of such indebtedness have been fully expended, to finance the cost of the Project.

We are attorneys admitted to practice law only in the State of Florida and express no opinion as to the laws of any other state and further express no opinion as to the status of interest on the Bonds under either Federal laws or the laws of the State of Florida.

Very truly yours,

C:\WINDOWS\TEMP\comA1B4.TMP
August 17, 2000

\$ _____
Florida Municipal Loan Council
Revenue Bonds
(Capital Projects and Equipment Acquisition Program)
Series 2000

AGREEMENT TO PROVIDE CONTINUING DISCLOSURE UNDER SEC RULE 15c2-12

THIS AGREEMENT, dated _____, 2000, is by and among the Borrower and the Trustee [and the Program Administrator] [and the Issuer], each as defined below in Section 1.

In order to permit the Underwriter to comply with the provisions of subsection (b)(5) of Rule 15c2-12 of the Securities Exchange Act of 1934 (the "1934 Act"), as amended ("Rule 15c2-12"), in connection with the limited offering of the above-referenced bonds (the "Bonds"), the parties hereto, in consideration of the mutual covenants herein contained and other good and lawful consideration, hereby agree, for the sole and exclusive benefit of the holders from time to time of the Bonds (except as set forth in Section 6 hereof), as follows:

Section 1. Definitions. Capitalized terms used but not defined herein shall have the meaning ascribed to them in the Indenture.

"Annual Information" shall mean the information specified in Section 3 hereof.

"Bonds" shall mean the \$ _____ Revenue Bonds (Capital Projects and Equipment Acquisition Program) Series 2000.

"Borrower" shall mean _____, a Florida _____, together with its permitted successors and assigns.

"GAAP" shall mean generally accepted accounting principles as in effect from time to time in the United States.

"Indenture" shall mean the Supplemental Indenture of Trust No. 1 dated as of _____, 2000, by and between the Issuer and the Trustee, as the same may be amended, modified or supplemented from time to time, and the Master Indenture of Trust dated as of _____, 2000 by and between the Issuer and the Trustee, as the same may be amended, modified or supplemented from time to time.

"Issuer" shall mean the Florida Municipal Loan Council.

"MSRB" shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended.

“Obligated Person” shall mean obligated persons, with respect to the Bonds, within the meaning of Rule 15c2-12.

[“Program Administrator” shall mean The Florida League of Cities, Inc.]

“Repository” shall mean each nationally recognized municipal securities repository within the meaning of Rule 15c2-12.

“Rule 15c2-12” shall mean Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as in effect on the date of this Agreement, including any official interpretations thereof issued either before or after the effective date of this Agreement which are applicable to this Agreement.

“SEC” shall mean the Securities and Exchange Commission.

“State” shall mean the State of Florida.

“State Information Depository” shall mean the state information depository for the State, if and to the extent it has been established and is in existence and operating as a state information depository within the meaning of Rule 15c2-12.

“Trustee” shall mean _____, a national banking association organized and existing under the laws of the United States.

“Underwriter” shall mean J.P. Morgan Securities, Inc.

Section 2. Obligations to Provide Continuing Disclosure.

(i) Obligations of the Borrower.

(a) The Borrower hereby undertakes, for the benefit of the holders of the Bonds, to provide, no later than 120 days after the end of each of its fiscal years, commencing with the fiscal year ending _____, 2000, to each Repository and to the State Information Depository, if any, the Annual Information required by each entity relating to such fiscal year.

(b) The Borrower shall notify the Trustee of the occurrence of any of the eleven events with respect to the Bonds listed in Section 2(ii)(a)(1) through (11) hereof, if material, promptly upon becoming aware of the occurrence of any such event.

(ii) Further Obligations of the Borrower. The Borrower hereby undertakes for the benefit of the holders of the Bonds, to provide the following:

(a) to each Repository or to the MSRB, and to the State Information Depository, in a timely manner, notice of any of the following eleven events with respect to the Bonds, if material:

- (1) principal and interest payment delinquencies;

- (2) non-payment related defaults;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions or events affecting the tax-exempt status of the Bonds;
- (7) modifications to the rights of the holders of the Bonds;
- (8) Bond calls;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Bonds; and
- (11) rating changes; and

(b) to each Repository or to the MSRB, and to the State Information Depository, in a timely manner, notice of a failure by the Borrower to comply with Section 2(i)(a) or (b) hereof.

(iii) Termination or Modification of Disclosure Obligation.

(a) If the Borrower is no longer an Obligated Person, the Borrower shall provide notice thereof to each Repository, the State Information Depository and the MSRB, and the Borrower shall have no further obligations hereunder.

(b) The requirements contained in this Agreement under Section 3(i) are intended to set forth a general description of the type of financial information and operating data to be provided; such descriptions are not intended to state more than general categories of financial information and operating data; and where the provisions of Section 3(i) call for information that no longer can be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be provided by the Borrower in such Annual Information.

(iv) Other Information. Nothing herein shall be deemed to prevent the Borrower from disseminating any other information in addition to that required hereby in the manner set forth herein or in any other manner. If the Borrower should disseminate any such additional information, the Borrower shall have no obligation hereunder to update such additional information or include it in any future materials disseminated hereunder.

[(v) Credit Enhancement. Each agreement governing the provisions of a credit facility or liquidity facility provided pursuant to the provisions of the Indenture shall require the provider thereof to provide the Borrower with prompt written notice of any change in the name, address, and telephone number of a place where then-current information regarding such provider may be obtained. In addition, such agreement shall require each such provider of a credit facility or liquidity facility promptly to notify the Borrower of a change in any rating relating to such provider that would affect the rating of the Bonds by any rating agency then rating the Bonds. The Borrower shall promptly provide the Trustee with copies of all notices received by it under this paragraph. The provisions of this Section 2(v) shall also apply to each provider of a substitute credit facility or substitute liquidity facility provided pursuant to the provisions of the Indenture.]

(vi) Disclaimer by the Trustee. The Trustee shall be under no obligation to the holders of the Bonds or any other party hereto to review or otherwise pass upon the Annual Information or the financial statements provided pursuant to Section 2(i) hereof.

Section 3. Annual Information.

(i) Specified Information. The Annual Information of the Borrower will consist of an update of the information of the type contained in Appendix ___ to the Official Statement, including a statement as to whether the Annual Information varies from the information contained in Appendix ___ of the Official Statement. The Borrower shall modify from time to time the specific types of operating data and financial information provided to the extent necessary to conform to legal requirements or changes in the nature of the Borrower; provided, that such modification will be done in a manner consistent with Rule 15c2-12 and will not, in the opinion of the Trustee (who may rely on an opinion of counsel) materially impair the interests of the Bondholders.

(ii) Cross Reference. All or any portion of the Annual Information may be provided in the Annual Information by cross-reference to any other documents which have been filed with the SEC, the Repositories, the State Information Depository and, if the document is an official statement, the MSRB.

Section 4. Financial Statements.

All financial statements included in the Annual Information for each fiscal year shall conform with GAAP.

Section 5. Remedies.

If any party hereto should fail to comply with any provision of this Agreement, then each of the other parties and, as a direct or third-party beneficiary, as the case may be, any holder of Bonds may enforce, for the equal benefit and protection of all the holders of the Bonds similarly situated, by mandamus or other suit or proceeding at law or in equity, this Agreement against such party and any of its officers, agents and employees, and may compel such party or any such officers, agents or employees to perform and carry out their duties under this Agreement; provided that the sole and exclusive remedy for breach of this Agreement shall be an action to compel specific performance of the obligations of such party hereunder, and no

person or entity shall be entitled to recover monetary damages hereunder under any circumstances. The Borrower may be compelled to comply with its obligations under this Agreement (i) in the case of enforcement of its obligations to provide information required hereunder by any holder of outstanding Bonds or by the Trustee on behalf of the holders of outstanding Bonds or (ii) in the case of challenges to the adequacy of the information provided, by the Trustee on behalf of the holders of outstanding Bonds; provided, however, that the Trustee shall not be required to take any enforcement action except at the direction of the holders of not less than 25% in aggregate principal amount of Bonds at the time outstanding and upon receipt of indemnification reasonably satisfactory to the Trustee. Failure of any party to perform its obligations hereunder shall not constitute an Event of Default under the Indenture or any other agreement executed and delivered in connection with the issuance of the Bonds. Bondholders shall be deemed to be holders of Bonds for purposes of this Agreement.

Section 6. Parties in Interest.

The provisions of this Agreement shall inure solely to the benefit of the holders from time to time of the Bonds, except that Bondholders of Bonds shall be third-party beneficiaries of this Agreement.

Section 7. Amendments.

(i) Without the consent of any of the holders of the Bonds or any provider of a credit facility or liquidity facility, the Borrower and the Trustee, at any time and from time to time, may enter into amendments or changes to this Agreement for any purpose, if:

(a) the amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Borrower or any type of business or affairs conducted by the Borrower;

(b) the undertakings set forth herein, as amended, would have complied with the requirements of Rule 15c2-12 on the date hereof, after taking into account any amendments to, or interpretation by the staff of the Securities and Exchange Commission of Rule 15c2-12, as well as any change in circumstances; and

(c) the amendment does not materially impair the interests of the holders of the Bonds, as determined by the Trustee or by nationally recognized bond counsel. (In determining whether or not the interests of the holders of the Bonds are materially impaired, the Trustee may request and rely upon an opinion of nationally recognized bond counsel.)

(ii) Annual Information for any fiscal year containing an amendment to the formatting of such operating data or financial information for such fiscal year shall explain, in narrative form, the reasons for such amendment and the impact of the change in the type of operating data or financial information in the Annual Information being provided for such fiscal year. If a change in accounting principles is included in any such amendment, such Annual Information shall present a comparison between the financial statements or information prepared on the basis of the amended accounting principles and those prepared on the basis of

the former accounting principles. Such comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information. To the extent reasonably feasible such comparison shall also be quantitative.

Section 8. Termination. This Agreement shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Bonds shall have been paid in full or the Bonds shall have otherwise been paid or legally defeased pursuant to the Indenture; provided, however, that if Rule 15c2-12 (or successor provision) shall be amended, modified or changed so that all or any part of the information currently required to be provided thereunder shall no longer be required to be provided thereunder, then such information shall no longer be required to be provided hereunder; and provided, further, that if and to the extent Rule 15c2-12 (or successor provision), or any provision thereof, shall be declared by a court of competent and final jurisdiction to be, in whole or in part, invalid, unconstitutional, null and void, or otherwise inapplicable to the Bonds, then the information required to be provided hereunder, insofar as it was required to be provided by a provision of Rule 15c2-12 so declared, shall no longer be required to be provided hereunder. Upon any legal defeasance, the Borrower shall provide notice of such defeasance to the Trustee and the Trustee shall notify each Repository or to the MSRB, and the State Information Depository, and such notice shall state whether the Bonds have been defeased to maturity or to redemption and the timing of such maturity or redemption.

Section 9. The Trustee.

(i) Except as specifically provided herein, this Agreement shall not create any obligation or duty on the part of the Trustee and the Trustee shall not be subject to any liability hereunder for acting or failing to act, as the case may be.

(ii) The Trustee shall be indemnified and held harmless in connection with this Agreement, to the same extent provided in the Indenture for matters arising thereunder.

SECTION 10. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE DETERMINED WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAW; PROVIDED, HOWEVER, THAT TO THE EXTENT THIS AGREEMENT ADDRESSES MATTERS OF FEDERAL SECURITIES LAWS, INCLUDING RULE 15c2-12, THIS AGREEMENT SHALL BE GOVERNED BY SUCH FEDERAL SECURITIES LAWS AND OFFICIAL INTERPRETATIONS THEREOF.

IN WITNESS WHEREOF, the undersigned have duly authorized, executed and delivered this agreement as of the date first above written.

[BORROWER] _____, as Trustee

By: _____
Name:
Title:

By: _____
Name:
Title:

[PROGRAM ADMINISTRATOR]

[ISSUER]

EXHIBIT A

PROJECTS

The proceeds from this issue will be used to fund the following projects:

Fleet and heavy equipment acquisitions	\$ 2,000,000
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