
LOAN AGREEMENT

by and between

FIRST FLORIDA GOVERNMENTAL FINANCING COMMISSION

and

CITY OF GAINESVILLE, FLORIDA

Dated as of March 1, 2005

FIRST FLORIDA GOVERNMENTAL FINANCING COMMISSION
REVENUE BONDS, SERIES 2005

This Instrument Prepared By:

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EXHIBIT A

LOAN AGREEMENT

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LOAN AGREEMENT

This Loan Agreement (the "Loan Agreement" or the "Agreement") dated as of March 1, 2005 and entered into between the FIRST FLORIDA GOVERNMENTAL FINANCING COMMISSION (the "Commission"), a public body corporate and politic, and the CITY OF GAINESVILLE, FLORIDA (the "Borrower"), a duly constituted municipality under the laws of the State of Florida.

WITNESSETH:

WHEREAS, pursuant to the authority of the hereinafter defined Act, the Commission desires to loan to the Borrower the amount necessary to enable the Borrower to finance or refinance the cost of the Projects, as hereinafter defined, and the Borrower desires to borrow such amount from the Commission subject to the terms and conditions of and for the purposes set forth in this Agreement; and

WHEREAS, the Commission is a public body corporate and politic duly created, organized and existing under and by virtue of the interlocal agreement among the City of St. Petersburg, Florida, the City of Sarasota, Florida, Manatee County, Florida, Broward County, Florida, the City of Gainesville, Florida, the City of Clearwater, Florida, Pinellas County, Florida, the City of Boca Raton, Florida and the City of Hollywood, Florida in accordance with Chapter 163, Part I, Florida Statutes, as amended (the "Interlocal Act"); and

WHEREAS, the Commission has determined that there is substantial need within the State for a financing program (the "Program") which will provide funds for qualifying projects (the "Projects") for the participating Borrowers (as defined herein); and

WHEREAS, the Commission is authorized under the Interlocal Act to issue its revenue bonds to provide funds for such purposes; and

WHEREAS, the Commission has determined that the public interest will best be served and that the purposes of the Interlocal Act can be more advantageously obtained by the Commission's issuance of revenue bonds in order to loan funds to the Borrowers to finance or refinance Projects; and

WHEREAS, the Borrower is authorized under and pursuant to the Act, as amended, to enter into this Loan Agreement for the purposes set forth herein; and

WHEREAS, the Commission and the Borrower have determined that the lending of funds by the Commission to the Borrower pursuant to the terms of this Agreement and that certain Trust Indenture dated as of March 1, 2005, between the Commission and the Trustee (as defined herein) relating to the Bonds (as hereinafter defined), including any amendments and

supplements thereto (the "Indenture"), will assist in the development and maintenance of the public welfare of the residents of the State and the areas served by the Borrower, and shall serve a public purpose by improving the health and living conditions, and providing adequate governmental services, facilities and programs and will promote the most efficient and economical development of such services, facilities and programs in the State; and

WHEREAS, neither the Commission, the Borrower nor the State or any political subdivision thereof (other than the Borrowers to the extent of their obligations under their respective Loan Agreements as that term is hereinafter defined), shall in any way be obligated to pay the principal of, premium, if any, or interest on those certain revenue bonds of the Commission designated "First Florida Governmental Financing Commission Revenue Bonds, Series 2005" (the "Bonds") as the same shall become due, and the issuance of the Bonds shall not directly, indirectly or contingently obligate the Borrower, the State or any political subdivision or municipal corporation thereof to levy or pledge any form of ad valorem taxation for their payment but shall be payable solely from the funds and revenues pledged under and pursuant to this Agreement and the Indenture.

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

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ARTICLE I

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 certain undefined capitalized terms used herein shall have the meanings ascribed thereto in the Indenture.

"Accountant" or "Accountants" means an independent certified public accountant or a firm of independent certified public accountants.

"Accounts" means the accounts created pursuant to Section 4.02 of the Indenture.

"Act" means, collectively, to the extent applicable to the Borrower, Chapter 163, Part I, Florida Statutes, Chapter 125, Part I, Florida Statutes, Chapter 166, Part II, Florida Statutes, and all other applicable provisions of law.

"Additional Payments" means payments required by Section 5.03 hereof.

"Arbitrage Regulations" means the income tax regulations promulgated, proposed or applicable pursuant to Section 148 of the Code as the same may be amended or supplemented or proposed to be amended or supplemented from time to time.

"Authorized Representative" means, when used pertaining to the Commission, the Chairman of the Commission and such other designated members, agents or representatives as may hereafter be selected by Commission resolution; and, when used with reference to a Borrower which is a municipality, means the person performing the functions of the Mayor or Deputy, Acting or Vice Mayor thereof or other officer authorized to exercise the powers and performs the duties of the Mayor; and, when used with reference to a Borrower which is a county means the person performing the function of the Mayor or Vice Mayor of such Borrower or other officer authorized to exercise the powers and performs the duties of the Mayor; and, when used with reference to an act or document, also means any other person authorized by resolution to perform such act or sign such document.

"Basic Payments" means the payments denominated as such in Section 5.01 hereof.

"Board" means the governing body of the Borrower.

"Bond Counsel" means Bryant Miller & Olive P.A., Tampa, Florida or any other nationally recognized bond counsel.

"Bondholder" or "Holder" or "holder of Bonds" or "Owner" or "owner of Bonds" whenever used herein with respect to a Bond, means the person in whose name such Bond is registered.

"Bond Insurance" means the insurance policy of the Bond Insurer which insures payment of the principal of and interest on the Bonds when due.

"Bond Insurance Premium" means the premiums payable to the Bond Insurer for the Bond Insurance.

"Bond Insurer" means Ambac Assurance Corporation, a Wisconsin-domiciled stock insurance company.

"Bonds" means the First Florida Governmental Financing Commission Revenue Bonds, Series 2005 issued pursuant to Article II of the Indenture.

"Bond Year" means a 12-month period beginning on July 2 and ending on the next July 1.

"Borrower" means the governmental unit which is described in the first paragraph and on the cover page of this Loan Agreement and which is borrowing and using the Loan proceeds to finance or refinance all or a portion of the costs of one or more Projects.

"Borrowers" means, collectively, the Borrower executing this Loan Agreement and the other governmental units which have received Loans from the Commission made from proceeds of the Bonds.

"Business Day" means any day of the year which is not a Saturday or Sunday or a day on which banking institutions located in New York City or the State are required or authorized to remain closed or on which the New York Stock Exchange is closed.

"Certificate," "Statement," "Request," "Requisition" and "Order" of the Commission means, respectively, a written certificate, statement, request, requisition or order signed in the name of the Commission by its Chairman, Executive Director or such other person as may be designated and authorized to sign for the Commission. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

"Closing" means the closing of a Loan pursuant to the Indenture and this Agreement.

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

"Commencement Date" means the date when the term of this Agreement begins and the obligation of the Borrower to make Loan Repayments accrues.

"Commission" means the First Florida Governmental Financing Commission.

"Cost" means "Cost" as defined in the Act.

"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 Commission or the Borrowers.

"Default" means an event or condition the occurrence of which would, with the lapse of time or the giving of notice or both, become an Event of Default.

"Event of Default" shall have the meaning ascribed to such term in Section 8.01 of this Agreement.

"Financial Newspaper" or "Journal" means The Wall Street Journal or The Bond Buyer or any other newspaper or journal containing financial news, printed in the English language, customarily published on each Business Day and circulated in New York, New York, and selected by the Trustee, whose decision shall be final and conclusive.

"Fiscal Year" means the fiscal year of the Borrower.

"Fitch" means Fitch Ratings.

"Funds" means the funds created pursuant to Section 4.02 of the Indenture.

"Governmental Obligations" means (i) direct and general obligations of the United States of America, or those obligations which are unconditionally guaranteed as to the timely payment of principal and interest by the same, including interest on obligations of the Resolution Funding Corporation and (ii) pre-refunded municipal obligations meeting the following criteria:

(a) the municipal obligations may not be callable prior to maturity or, alternatively, the trustee has received irrevocable instructions concerning their calling and redemption;

(b) the municipal obligations are secured by cash or securities described in subparagraph (i) above (the "Defeasance Obligations"), which cash or Defeasance Obligations may be applied only to interest, principal, and premium payments of such municipal obligations;

(c) the principal and interest of the Defeasance Obligations (plus any cash in the fund) are sufficient to meet the liabilities of the municipal obligations;

(d) the Defeasance Obligations serving as security for the municipal obligations must be held by an escrow agent or a trustee; and

(e) the Defeasance Obligations are not available to satisfy any other claims, including those against the Trustee or escrow agent.

Additionally, evidences of ownership of proportionate interests in future interest and principal payments of Defeasance Obligations are permissible. Investments in these proportionate interests are limited to circumstances wherein (a) a bank or trust company acts as custodian and holds the underlying obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying obligations; and (c) the underlying obligations are held in a special account separate and apart from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated.

"Indenture" means the Trust Indenture dated as of March 1, 2005 between the Commission and the Trustee, including any Supplemental Indentures, pursuant to which (i) the Bonds are authorized to be issued and (ii) the Commission's interest in the Trust Estate is pledged as security for the payment of principal of, premium, if any, and interest on the Bonds.

"Interest Payment Date" means January 1 and July 1 of each year, commencing July 1, 2005.

"Interest Period" means the period commencing on an Interest Payment Date and ending on the day preceding the next Interest Payment Date, provided that the initial Interest Period shall commence on the date of issuance of the Bonds.

"Interlocal Act" means Chapter 163, Part I, Florida Statutes.

"Interlocal Agreement" means that certain Interlocal Agreement originally dated as of November 26, 1985 among the various Borrowers executing it from time to time, the original parties to which are the City of St. Petersburg, the City of Sarasota and Manatee County, as amended and supplemented by the Amended Interlocal Agreement dated as of March 21, 1986 among the City of St. Petersburg, the City of Sarasota, Manatee County and Broward County, and certain Addenda to the Interlocal Agreement, pursuant to which the City of Gainesville, the City of Clearwater, Pinellas County, the City of Boca Raton and the City of Hollywood have become members of the Commission, all as amended and supplemented from time to time.

"Loan" means the Loan made to the Borrower from Bond proceeds to finance certain Projects in the amount specified in Section 3.01 herein.

"Loans" means all loans made by the Commission under the Indenture to the Borrowers pursuant to the Loan Agreements.

"Loan Agreement" means this Loan Agreement and any amendments and supplements hereto.

"Loan Agreements" means, collectively, the Loan Agreement and the other loan agreements being executed by the other Borrowers which have received loans from proceeds of the Bonds.

"Loan Repayment Date" means June 20, 2005, and thereafter each June 20 and December 20, or if such day is not a Business Day, the next preceding Business Day.

"Loan Repayments" means the payments of principal and interest and other payments payable by the Borrower pursuant to the provisions of this Loan Agreement, including, without limitation, Additional Payments.

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

"Moody's" means Moody's Investors Service, Inc.

"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, excluding revenues derived from the Borrower's electric system, natural gas system, water system, wastewater system, telecommunication system ("GRUCom") and stormwater management utility system.

"Opinion of Bond Counsel" means an opinion by Bond Counsel which is selected by the Commission and acceptable to the Trustee.

"Opinion of Counsel" means an opinion in writing of a legal counsel, who may, but need not be, counsel to the Commission, a Borrower or the Trustee.

"Outstanding" or "Bonds Outstanding" means all Bonds which have been authenticated and delivered by the Trustee under the Indenture, except:

- (a) Bonds canceled after purchase in the open market or because of payment at or redemption prior to maturity;
- (b) Bonds deemed paid under Article IX of the Indenture; and

(c) Bonds in lieu of which other Bonds have been authenticated under Section 2.06, 2.07 or 2.09 of the Indenture.

"Person" means an individual, a corporation, a partnership, an association, a trust or any other entity or organization including a government or political subdivision or an agency or instrumentality thereof.

"Principal Fund" means the fund by that name created by Section 4.02 of the Indenture.

"Principal Payment Date" means the maturity date or mandatory redemption date of any Bond.

"Program" means the Commission's program of making Loans under the Act and pursuant to the Indenture and Loan Agreement.

"Project" or "Projects" means a governmental undertaking approved by the governing body of a Borrower for a public purpose, including the refinancing of any indebtedness relating to such an undertaking.

"Project Loan Fund" means the fund by that name established pursuant to Section 4.02 of the Indenture.

"Proportionate Share" means, with respect to any Borrower, a fraction, the numerator of which is the outstanding principal amount of the Loan of such Borrower made from proceeds of the Bonds and the denominator of which is the outstanding principal amount of all Loans made from proceeds of the Bonds and then outstanding.

"Revenue Fund" means the fund by that name created by Section 4.02 of the Indenture.

"Revenues" means all Loan Repayments paid to the Trustee for the respective accounts of the Borrowers for deposit in the Principal Fund and Revenue Fund to pay principal of, premium, if any, and interest on the Bonds upon redemption, at maturity or upon acceleration of maturity, or to pay interest on the Bonds when due, and all receipts of the Trustee credited to the Borrowers under the provisions of the Loan Agreements.

"Special Record Date" means the date established pursuant to Section 10.05 of the Indenture as a record date for the payment of defaulted interest, if any, on the Bonds.

"State" means the State of Florida.

"Supplemental Indenture" means any indenture hereafter duly authorized and entered into between the Commission and the Trustee, supplementing, modifying or amending the

Indenture, but only if and to the extent that such Supplemental Indenture is specifically authorized in the Indenture.

"Trust Estate" means the property, rights, Revenues and other assets pledged and assigned to the Trustee pursuant to the Granting Clauses of the Indenture.

"Trustee" means SunTrust Bank, as Trustee, or any successor thereto under the Indenture.

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ARTICLE II

REPRESENTATIONS, WARRANTIES AND COVENANTS OF BORROWER AND COMMISSION

Section 2.01. Representations, Warranties and Covenants. The Borrower and the Commission represent, warrant and covenant on the date hereof and until the end of the Loan Term for the benefit of the Trustee, the Borrower, the Bond Insurer and Bondholders, as applicable, as follows:

(a) Organization and Authority. The Borrower:

(1) is a duly organized and validly existing municipality of the State and is a duly organized and validly existing Borrower; and

(2) has all requisite power and authority to own and operate its properties and to carry on its activities as now conducted and as presently proposed to be conducted.

(b) Full Disclosure. There is no fact that the Borrower knows of which has not been specifically disclosed in writing to the Commission and the Bond Insurer that materially and adversely affects or, except for pending or proposed legislation or regulations that are a matter of general public information affecting Borrowers generally, that will materially affect adversely the properties, activities, prospects or condition (financial or otherwise) of the Borrower or the ability of the Borrower to perform its obligations under this Agreement.

The financial statements, including balance sheets, and any other written statement furnished by the Borrower to the Commission and 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.

(c) Pending Litigation. To the knowledge of the Borrower there are no proceedings pending, or to the knowledge of the Borrower threatened, against or affecting the Borrower, except as specifically described in writing to the Commission 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 ability of the Borrower to make Basic Payments and Additional Payments hereunder, or the existence or powers or ability of the Borrower to enter into and perform its obligations under this Agreement.

(d) Borrowing Legal and Authorized. The execution and delivery of this Agreement and the consummation of the transactions provided for in this Agreement and compliance by the Borrower with the provisions of this Agreement:

(1) are within the powers of the Borrower and have been duly and effectively authorized by all necessary action on the part of the Borrower; and

(2) do not and will not (i) 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 Agreement) or restriction to which the Borrower is a party or by which the Borrower, its properties or operations are bound as of the date of this Agreement or (ii) with the giving of notice or the passage of time or both, 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 (described in (i) or (ii)) could materially and adversely affect the validity or the enforceability of this Agreement or the Borrower's ability to perform fully its obligations under this Agreement; nor does such action result in any violation of the provisions of the Act, or, to the best of Borrower's knowledge, any laws, ordinances, governmental rules or regulations or court orders to which the Borrower, its properties or operations may be bound.

(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 Agreement 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 violation (except such violations as (i) heretofore have been specifically disclosed in writing to, and have been in writing specifically consented to by the Commission 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), 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, which may materially adversely affect the ability of the Borrower to perform hereunder.

(f) Governmental Consent. The Borrower has obtained, or will obtain, all permits, approvals and findings of non-reviewability required as of the date hereof by any governmental body or officer for the acquisition and/or installation of the Project, including acquisition, construction, reconstruction, improving and equipping thereof, the financing or refinancing thereof or the reimbursement of the Borrower therefor, or the use of such Project, and, prior to the Loan, the Borrower will obtain all other such permits, approvals and findings as may be necessary for the foregoing and for such Loan and the proper application thereof; the Borrower has complied with or will comply with all applicable provisions of law requiring any notification, declaration, filing or registration with any agency or other governmental body or officer in connection with the acquisition or installation of the Project, including acquisition, construction, reconstruction, improving and equipping thereof necessary for such acquisition or installation, financing or refinancing thereof or reimbursement of the Borrower therefor; and any such action is consistent with, and, to the best of Borrower's knowledge, does not violate or conflict with, the terms of any such agency or other governmental consent, order or other action which is applicable thereto. No further 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 this Loan Agreement.

(g) Compliance with Law. The Borrower is in compliance with all laws, ordinances, governmental rules and regulations to which it is subject and which are material to its properties, operations, finances or status as a municipal corporation or political subdivision of the State and this 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.

(h) Use of Proceeds.

(1) The Borrower will apply the proceeds of the Loan from the Commission solely for the financing, refinancing or reimbursing for the cost of the Projects as set forth in Exhibit A hereto. If any Project listed in Exhibit A is not paid for out of the proceeds of the Loan at the Closing of the Loan, Borrower shall, as quickly as reasonably possible, with due diligence, and in any event prior to _____2008, use the remainder of the amounts listed in Exhibit A and any investment earnings thereon to pay the cost of acquiring, constructing, reconstructing, improving, equipping or reimbursing of such Project, provided that, such time limit may be extended by the written consent of the Commission and the Trustee, and provided further that Borrower may amend Exhibit A without the consent of the Commission to provide for the financing of a different or additional Project if the Borrower, after the date hereof, deems it to not be in the interest of Borrower to acquire, construct, reconstruct, improve or equip any item of such Project or the cost of the Project proves to be less than the amounts listed on Exhibit A and the investment earnings thereon. Notwithstanding the foregoing, all such proceeds shall be expended prior to _____2008. The Borrower will provide the Trustee and the Commission with evidence of the expenditure of the remaining amounts of the Loan and the investment earnings thereon and the respective date(s) thereof as soon as practicable following the expenditure of all such amounts on costs of the Project.

(2) Items of cost of the Project which may be financed include all reasonable or necessary direct or indirect costs of or incidental to the acquisition, construction, reconstruction, improvement or equipping of the Project, the incidental costs of placing the same in use and financing expenses (including the application or origination fees, if any, of the Bond Insurer and the Commission), but not operating expenses.

(3) Borrower understands that the actual Loan proceeds received by it are [less] than the face amount of the Loan Agreement, and equal approximately _____% of the

stated principal amount of the Loan. The amount of Loan proceeds received by the Borrower will thus be [less] than the principal amount of the Loan. The Borrower will accordingly be responsible for repaying, through the Basic Payments portion of its Loan Repayments, the portion of the Bonds issued to fund its Loan including the Borrower's Proportionate Share of the Bonds issued to fund that portion of the underwriting discount and other costs of issuing the Bonds. Notwithstanding the foregoing, in making such payments, the Borrower will receive a credit against its Loan Payment for investment earnings on amounts deposited with and held by the Trustee pursuant to Section 5.01 hereof, or alternatively, such earnings shall be returned to the Borrower.

(4) The Borrower covenants that it will make no use of the proceeds of the Loan which are in its control at any time during the term of the Bonds which would cause such Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

(5) The Borrower, by the Trustee's acceptance of the Indenture, covenants that the Borrower shall neither take any action nor fail to take any action within its power and control, and to the extent that it may do so, permit any other party to take any action which, if either taken or not taken, would adversely affect the exclusion from gross income for Federal income tax purposes of interest on the Bonds.

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

(i) Project. All items constituting the Project are permissible uses of funds by the Borrower under the Act.

(j) Compliance with Interlocal Act and Interlocal Agreement. All agreements and transactions provided for herein or contemplated hereby are in full compliance with the terms of the Interlocal Agreement and the Interlocal Act.

Section 2.02. Covenants of Borrower. The Borrower makes the following covenants and representations as of the date hereof and such covenants shall continue in full force and effect during the Loan Term:

(a) Security for Loan Repayment. Subject to the provisions of Section 2.02(1) hereof, the Borrower covenants and agrees to appropriate in its annual budget, by amendment, if required, and to pay when due under this Loan Agreement as promptly as money becomes available directly into the appropriate Fund or Account created in the Indenture, amounts of Non-Ad Valorem Revenues of the Borrower sufficient to satisfy the Loan Repayment as required under this Loan Agreement. Such covenant 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 into the appropriate Fund or Account. 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.

(b) Delivery of Information to the Bond Insurer. The Borrower shall deliver to the Bond Insurer and the Commission as soon as available and in any event within 180 days after the end of each Fiscal Year an audited statement of its financial position 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 by an independent certified public accountant, whose report shall state that such financial statements present fairly the Borrower's financial position as of the end of such Fiscal Year and the results of operations and changes in financial position for such Fiscal Year. The Borrower shall file copies of its unaudited financial statements with the Commission or the Bond Insurer, if so requested by the Commission or the Bond Insurer, respectively, within seventy-five (75) days following the close of such fiscal quarter.

(c) Information. The Borrower's chief financial officer shall, at the reasonable request of the Bond Insurer, discuss the Borrower's financial matters with the Bond Insurer or its respective designee and provide the Bond Insurer with copies of any documents reasonably requested by the Bond Insurer or its designee unless such documents or material are protected or privileged from disclosure under applicable Florida law.

(d) Indemnity. To the extent permitted by law, the Borrower will pay, and will protect, indemnify and save, the Commission, each member, officer, commissioner, employee and agent of any of the Commission 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 Commission, 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 (by way of the Borrower, its successors and assigns, or directly or indirectly through the agents, contractors, employees, licensees or otherwise of the Borrower or its successors and assigns) arising or resulting from, out of, or in connection with, the Project, this Loan Agreement as a

result of the breach or violation of any agreement, covenant, representation or warranty by the Borrower set forth in this Loan Agreement or any document delivered pursuant hereto or thereto or in connection herewith or therewith, but not including an action arising from the alleged invalidity of the Bonds, except to the extent that such invalidity is caused by an act or omission of the Borrower or is caused by the invalidity of this Loan Agreement with respect to the Borrower. In connection therewith, the Commission agrees to use counsel reasonably acceptable to the Borrower, except as a result of the breach or violation of any agreement, covenant, representation or warranty by the Borrower set forth in this Loan Agreement or any document delivered pursuant hereto or thereto. The Commission shall give to the Borrower prompt notice of any such suits or claims.

The foregoing notwithstanding, nothing herein contained shall be construed and neither the Trustee, the Commission, the Bond Insurer, the State or the Bondholders shall have the right to compel the exercise of the taxing power of the Borrower in any form for the payment by the Borrower of its obligations, if any, hereunder. Furthermore, notwithstanding anything herein to the contrary, the Borrower shall in no manner so indemnify and save harmless the Commission or any other governmental unit which receives Loans from the Commission in connection with the Program for their respective actions.

The provisions of this paragraph (d) shall survive the termination of this Loan Agreement.

(e) Special Covenants and Financial Ratios. The Borrower covenants that in each Fiscal Year of the Borrower, it will not issue non-self-supporting revenue debt if after the issuance of such debt, maximum annual debt service resulting from the total outstanding non-self-supporting revenue debt service of the Borrower exceeds 50% of total general purpose Non-Ad Valorem Revenues of the Borrower received in the immediately preceding Fiscal Year of the Borrower. As used above, the term "non-self-supporting revenue debt" shall not include any debt payable from revenues of a utility system. The Borrower covenants not to incur any indebtedness payable from non ad valorem revenue sources unless (a) it has received the written consent of the Bond Insurer (which consent shall not be unreasonably withheld) or (b) the gross non-ad valorem revenues (all legally available non-ad valorem revenues of the Borrower from whatever source including investment income, excluding revenues derived from the Borrower's electric system, natural gas system, water system, wastewater system, telecommunication system ("GRUCom") and stormwater management utility system) of the Borrower for the preceding Fiscal Year were at least 2.00 times average annual debt service of all indebtedness of the Borrower payable from such sources. For the purpose of calculating "maximum annual debt service" or "annual debt service" on any indebtedness which bears interest at a variable rate, such indebtedness shall be deemed to bear interest at the greater of (i) 1.25 times the most recently published Bond Buyer Revenue Bond 30 Year Index or (ii) 1.25 times actual average interest rate during the prior Fiscal Year of such Borrower. Each Borrower shall give written notice to the Bond Insurer upon the occurrence of any such indebtedness. Furthermore, the Borrower covenants that on the date of execution of this Agreement, its

general fund equity, based upon the most recent audited financial statements, equals at least five percent (5%) of general fund expenditures for the year reflected in said audited financial statements.

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

(g) 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.

(h) Payment of Taxes, etc. The Borrower shall pay all legally contracted obligations when due and shall pay all taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits, or upon any properties belonging to it, prior to the date on which penalties attach thereto, and all lawful claims, which, if unpaid, might become a lien or charge upon any of its properties, provided that it shall not be required to pay any such tax, assessment, charge, levy or claim which is being contested in good faith and by appropriate proceedings which shall operate to stay the enforcement thereof or unless the tax collector shall refrain from enforcement proceedings pending legislative or constitutional amendment.

(i) Compliance with Laws, etc. Subject to an annual appropriation of legally available funds, the Borrower shall comply with the requirements of all applicable laws, the terms of all grants, rules, regulations and lawful orders of any governmental authority, non-compliance with which would, singly or in the aggregate, materially adversely affect its business, properties, earnings, prospects or credit, unless the same shall be contested by it in good faith and by appropriate proceedings which shall operate to stay the enforcement thereof.

(j) Tax-Exempt Status of Bonds. The Commission and the Borrower understand that it is the intention hereof that the interest on the Bonds not be included within the gross income of the holders thereof for federal income tax purposes. In furtherance thereof, the Borrower and the Commission each agree that they will take all action within their control which is necessary in order for the interest on the Bonds or this Loan to remain excluded from gross income for federal income taxation purposes and shall refrain from taking any action which results in such interest becoming included in gross income.

The Borrower and the Commission further covenant that, to the extent they have control over the proceeds of the Bonds, they will not take any action or fail to take any action with respect to the investment of the proceeds of any Bonds, with respect to the payments derived from the Bonds or hereunder, which action or failure to act may cause the Bonds to be "Arbitrage Bonds" within the meaning of such term as used in Section 148 of the Code and the regulations promulgated thereunder. In furtherance of the covenant contained in the preceding sentence, the Borrower and the Commission agree to comply with the Tax Certificate as to Arbitrage and the provisions of Section 141 through 150 of the Code, including the letter of instruction attached thereto as Exhibit D, delivered by Bryant Miller & Olive P.A. to the Borrower and the Commission simultaneously with the issuance of the Bonds, as such letter may be amended from time to time, as a source of guidelines for achieving compliance with the Code.

(k) Information Reports. The Borrower covenants to provide the Commission with all material and information it possesses or has the ability to possess necessary to enable the Commission to file all reports required under Section 149(e) of the Code to assure that interest paid by the Commission on the Bonds shall, for purposes of the federal income tax, be excluded from gross income.

(l) Limited Obligations. 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 tax 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 Commission, 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 Commission, the Bond Insurer, or the Bondholders nor 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 in Section 2.02(a) hereof 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 the Borrower shall have no joint liability with any other Borrower or the Commission for any of their respective liabilities, except to the extent expressly provided hereunder.

The Commission and the Borrower understand that the amount available to be budgeted and appropriated to make Loan Payments hereunder is subject to the obligation of the Borrower to provide essential governmental services; however, such obligation is cumulative and would carry over from Fiscal Year to Fiscal Year.

(m) Reporting Requirements.

(i) The Borrower will file or cause to be filed with the Bond Insurer and with the Commission any official statement issued by, or on behalf of, the Borrower in connection with the incurrence of any additional indebtedness payable from any Non-Ad Valorem Revenues by the Borrower. Such official statements shall be filed within sixty (60) days after the publication thereof.

(ii) The Borrower agrees to provide not later than December 31st of each year, a certificate of its chief financial officer stating that to the best of its knowledge to the effect that the Borrower is in compliance with the terms and conditions of this Loan Agreement, or, specifying the nature of any noncompliance and the remedial action taken or proposed to be taken to cure such noncompliance.

(iii) The Borrower will file or cause to be filed with the Commission its audited financial statements within sixty (60) days after publication thereof.

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ARTICLE III

THE LOAN

Section 3.01. The Loan. The Commission hereby agrees to loan to the Borrower and the Borrower hereby agrees to borrow from the Commission the sum of \$_____ which amount includes a discount equal to approximately ____% of the principal amount of such Loan to reflect the Borrower's cost of the initial issuance of the Bonds (including any net original issue discount or premium) subject to the terms and conditions contained in this Loan Agreement and in the Indenture to the extent such amount is (i) approved by the Commission and (ii) approved in writing by the Bond Insurer and the Trustee, such advanced amounts to be used by the Borrower for the purposes of financing, refinancing or reimbursing the cost of, or receiving reimbursement for the equity in, the Projects in accordance with the provisions of this Loan Agreement.

Section 3.02. Evidence of Loan. The Borrower's obligation hereunder to repay amounts advanced pursuant to Section 3.01, together with interest thereon, and other payments required under this Loan Agreement, shall be evidenced by this Loan Agreement.

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ARTICLE IV

LOAN TERM AND LOAN CLOSING REQUIREMENTS

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

Section 4.02. Termination of Loan Term. The Borrower's obligations under this Loan Agreement shall terminate after payment in full of all amounts due under this Loan Agreement and all amounts not theretofore paid shall be due and payable at the times and in the amounts set forth in Exhibit D attached hereto; provided, however, that all covenants and all obligations provided hereunder specified to so survive shall survive the termination of this Loan Agreement and the payment in full of principal and interest hereunder. Upon termination of the Loan Term as provided above, the Commission and the Trustee shall deliver, or cause to be delivered, to the Borrower an acknowledgment thereof.

Section 4.03. Loan Closing Submissions. Concurrently with the execution and delivery of this Loan Agreement, the Borrower is providing to the Trustee the following documents each dated the date of such execution and delivery unless otherwise provided below:

(a) A certified copy of the resolution of the Borrower which, among other things, authorizes this Loan, which is dated the date of its adoption and which is attached hereto as Exhibit B;

(b) An opinion of the Borrower's Counsel in the form of Exhibit C 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 and the Bond Insurer;

(c) A certificate of the officials of the Borrower who sign this Loan Agreement to the effect that the representations and warranties of the Borrower are true and correct;

(d) A certificate of covenant compliance required by Section 2.02(e) hereof.

(e) A certificate signed by the Authorized Representative of the Borrower or such other representative acceptable to Bond Counsel, in form and substance satisfactory to Bond Counsel, stating (i) the estimated dates and the amounts of projected expenditures for the Project and (ii) that it is reasonably anticipated by the Borrower that the Loan proceeds will be fully advanced therefor and expended by the Borrower prior to _____ 2008, and that the projected expenditures are based on the reasonable expectations of the Borrower having due regard for its capital needs and the revenues available for the repayment thereof.

(f) This executed Loan Agreement;

(g) An opinion (addressed to the Commission, the Trustee, the Bond Insurer and the Borrower) of Bond Counsel to the effect that the financing or refinancing of the Project with Loan proceeds is permitted under the Act, the Indenture and the resolution authorizing this Loan Agreement and will not cause the interest on the Bonds to be included in gross income for purposes of federal income taxation or adversely affect the validity, due authorization for or legality of the Bonds; and

(h) Such other certificates, documents, opinions and information as the Commission, the Bond Insurer, the Trustee or Bond Counsel may reasonably require.

All opinions and certificates shall be dated the date of the Closing.

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ARTICLE V

LOAN REPAYMENTS

Section 5.01. Payment of Basic Payments. Borrower shall pay to the order of the Trustee (on behalf of the Commission) all Loan Repayments in lawful money of the United States of America. No such Loan Repayment shall be in an amount such that interest on the Loan is in excess of the maximum rate allowed by the laws of the State of Florida or of the United States of America. The Loan shall be repaid in Basic Payments, consisting of:

- (a) principal in the amounts and on the dates set forth in Exhibit D; plus
- (b) interest calculated at the rates set forth in Exhibit D.

On the fifteenth (15th) day of the month immediately preceding each Interest Payment Date, the Trustee shall give Borrower notice in writing of the total amount of the next Basic Payment due. The Basic Payments shall be due on each June 20 and December 20 or if such day is not a Business Day, the next preceding Business Day (a "Loan Repayment Date"), commencing June 20, 2005, and extending through June 20, _____, unless the due date of the Basic Payments is accelerated pursuant to the terms of Section 8.03 hereof.

Section 5.02. [THIS SECTION RESERVED].

Section 5.03. Payment of Additional Payments. In addition to Basic Payments, Borrower agrees to pay, on demand of the Commission or the Trustee, the following Additional Payments:

(a) Borrower's Proportionate Share of: the annual fees of the Trustee; fees of the Registrar and Paying Agent; the annual fees or expenses of the Commission, if any; the Bond Insurance Premium, if any, of the Bond Insurer; and the fees of the rating agencies.

(b) All reasonable fees and expenses of the Commission or Trustee relating to this Loan Agreement, including, but not limited to:

- (1) the cost of reproducing this Loan Agreement;
- (2) the reasonable fees and disbursements of Counsel utilized by the Commission, the Trustee and the Bond Insurer in connection with the Loan, this Loan Agreement and the enforcement thereof;
- (3) reasonable extraordinary fees of the Trustee following an Event of Default hereunder;

(4) all other reasonable out-of-pocket expenses of the Trustee and the Commission in connection with the Loan, this Loan Agreement and the enforcement thereof;

(5) all taxes (including any recording and filing fees) in connection with the execution and delivery of this Loan Agreement and the pledge and assignment of the Commission's right, title and interest in and to the Loan and the Loan Agreement, pursuant to the Indenture (and with the exceptions noted therein), and all expenses, including reasonable attorneys' fees, relating to any amendments, waivers, consents or collection or enforcement proceedings pursuant to the provisions hereof;

(6) all reasonable fees and expenses of the Bond Insurer relating directly to the Loan; and

(7) fees of any provider of arbitrage rebate calculations and any liability for arbitrage rebate under Section 148(f) of the Code, including any late penalties or interest deriving therefrom, which arises in connection with the Loan.

Section 5.04. Credit for Interest Earnings and Excess Payments.

(a) On each Interest Payment Date, the Trustee shall credit against Borrower's obligation to pay Loan interest and Additional Payments, Borrower's Proportionate Share of any interest earnings which were received during the prior Interest Period by the Trustee on the Funds and Accounts held under the Indenture (excluding the Rebate Fund).

(b) The credits provided for in 5.04(a) above shall not be given to the extent the Borrower is in default in payment of its Loan Repayments. If past-due Loan Repayments are later collected from such defaulting Borrower, the amount of the missed credit shall, to the extent of the amount collected, be credited in proportion to the amount of credit missed, to the now non-defaulting Borrower from the past-due Loan Repayments.

(c) The credits may be accumulated. If the credit allowable for an Interest Period is more than required on the next ensuing Interest Payment Date to satisfy the current Loan interest repayment, it may be used on the following Interest Payment Date.

Section 5.05. Obligations of Borrower Unconditional. Subject in all respects to the provisions of this Loan Agreement, including but not limited to Section 2.02(a) and (l) hereof, the obligations of Borrower to make the Loan Payments required hereunder and to perform and observe the other agreements on its part contained herein, shall be absolute and unconditional, and shall not be abated, rebated, set-off, reduced, abrogated, terminated, waived, diminished, postponed or otherwise modified in any manner or to any extent whatsoever, while any Bonds remain outstanding or any Loan Repayments remain unpaid, regardless of any contingency, act of God, event or cause whatsoever. This Loan Agreement shall be deemed and construed to be

a "net contract," and Borrower shall pay absolutely net the Loan Repayments and all other payments required hereunder, regardless of any rights of set-off, recoupment, abatement or counterclaim that Borrower might otherwise have against the Commission, the Trustee, the Bond Insurer or any other party or parties.

Section 5.06. Refunding Bonds. In the event the Bonds are refunded, all references in this Loan Agreement to Bonds shall be deemed to refer to the refunding bonds or, in the case of a crossover refunding, to the Bonds and the refunding bonds (but Borrower shall never be responsible for any debt service on or fees relating to crossover refunding bonds which are covered by earnings on the escrow fund established from the proceeds of such bonds). The Commission agrees not to issue bonds or other debt obligations to refund the Bonds without the prior written consent of the Authorized Representative of the Borrower.

Section 5.07. Prepayment. The Loan may be prepaid in whole or in part by the Borrower on the dates and in the amounts on which the Bonds are subject to optional redemption of the Bonds themselves pursuant to Section 3.01 of the Indenture, if any.

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ARTICLE VI

DEFEASANCE

This Loan Agreement shall continue to be obligatory and binding upon the Borrower in the performance of the obligations imposed by this Loan Agreement and the repayment of all sums due by the Borrower under this Loan Agreement shall continue to be secured by this Loan Agreement as provided herein until all of the indebtedness and all of the payments required to be made by the Borrower shall be fully paid to the Commission or the Trustee. Provided, however, if, at any time, the Borrower shall have paid, or shall have made provision for payment of, the principal amount of the Loan, interest thereon and applicable redemption premiums, if any, with respect to the Bonds, then, and in that event, the pledge of and lien on the revenues pledged to the Commission for the benefit of the holders of the Bonds shall be no longer in effect and all future obligations of the Borrower under this Loan Agreement shall cease. For purposes of the preceding sentence, (i) deposit of sufficient cash and/or Governmental Obligations in irrevocable trust with a banking institution or trust company, for the sole benefit of the Commission, the principal and interest received will be sufficient to make timely payment of the principal, interest and prepayment premiums, if any, on the Loan, and (ii) an opinion of nationally recognized bond counsel to the extent that such deposit would not adversely affect the exclusion from gross income of interest on the Bonds, shall be considered "provision for payment." The prepayment premium, if any, shall be calculated based on the prepayment date selected by the Borrower in accordance with Section 5.07 hereof.

If the Borrower determines to prepay all or a portion of the Loan pursuant to Section 5.07 hereof, the Commission shall redeem a like amount of Bonds which corresponds in terms of amount and scheduled maturity date to such Loan prepayment pursuant to Section 3.01 of the Indenture.

If the Borrower shall make provision for payment as heretofore described, and to the extent that the Borrower irrevocably notifies the Commission in writing, at least 60 days prior to the prepayment date, of the prepayment of all or part of its Loan on a certain date pursuant to Section 5.07 hereof, all future obligations of the Borrower under this Loan Agreement shall cease, except as provided in Section 4.02 hereof.

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ARTICLE VII

ASSIGNMENT AND PAYMENT BY THIRD PARTIES

Section 7.01. Assignment by Commission. The Borrower expressly acknowledges that this Loan Agreement and the obligations of the Borrower to make payments hereunder (with the exception of certain of the Commission rights to indemnification, fees, notices and expenses), have been pledged and assigned to the Trustee as security for the Bonds under the Indenture, and that the Trustee shall be entitled to act hereunder and thereunder in the place and stead of the Commission whether or not the Bonds are in default.

Section 7.02. Assignment by Borrower. This Loan Agreement may not be assigned by the Borrower for any reason without the express prior written consent of the Commission, the Bond Insurer and the Trustee.

Section 7.03. Payments by the Bond Insurer. The Borrower acknowledges that payment under this Loan Agreement from funds received by the Trustee or Bondholders from the Bond Insurer do not constitute payment under this Loan Agreement for the purposes hereof or fulfillment of its obligations hereunder.

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ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

Section 8.01. Events of Default Defined. The following shall be "Events of Default" under this Loan Agreement and the term "Event of 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, when due, so long as the Bonds are outstanding, and failure by the Borrower to timely pay any other payment required to be paid hereunder on the date on which it is due and payable;

(b) Failure by the Borrower to observe and perform (i) the covenants, conditions or agreements made under Section 2.02(a) hereof on its part to be observed or performed thereunder, or (ii) any other covenant, condition or agreement other than a failure under 8.01(a) hereof, on its part to be observed or performed under this Loan Agreement, for a period of thirty (30) days after notice of the failure under either 8.01(b)(i) or (b)(ii) hereof, unless the Commission, 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 described in 8.01(b)(i) or (b)(ii) hereof stated in the notice can be wholly cured within a period of time not materially detrimental to the rights of the Commission, the Bond Insurer or the Trustee, but cannot be cured within the applicable 30-day period, the Commission, 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) Any warranty, representation or other statement by the Borrower or by an officer or agent of the Borrower contained in this Loan Agreement or in any instrument furnished in compliance with or in reference to this Loan Agreement, is false or misleading in any material respect when made;

(d) 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 such law;

(e) 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;

(f) Default under any agreement to which the Borrower is a party evidencing, securing or otherwise respecting any indebtedness of the Borrower outstanding in the amount of \$500,000 or more if, as a result thereof, such indebtedness is declared immediately due and payable or other remedies are exercised with respect thereto;

(g) Any material provision of this Loan Agreement 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 this Loan Agreement shall be contested by the Borrower, or if the Borrower shall deny any further liability or obligation under this Loan Agreement (unless the Borrower's obligations hereunder have been assigned pursuant to Section 7.02 or defeased pursuant to Article VI hereof); or

(h) Final judgment for the payment of money in the amount of \$500,000 or more is rendered against the Borrower, the payment of which would materially adversely affect the Borrower's ability to meet its obligations hereunder (it being agreed that, if insurance or adequate reserves are available to make such payment, such judgment would not materially affect the Borrower's ability to meet its obligations hereunder) and at any time after 90 days from the entry thereof, unless otherwise provided in the final judgment, (i) such judgment shall not have been discharged, and (ii) the Borrower shall not have taken and be diligently prosecuting an appeal therefrom and, to the extent that any final process or proceeding supplementary to enforce such judgment is lawfully available, such process or proceeding has not been stayed pending determination of such appeal, and (iii) the Borrower is liable to pay such judgment pursuant to the provisions of Chapter 768, Florida Statutes or other applicable law.

Section 8.02. Notice of Default. The Borrower agrees to give the Trustee, the Bond Insurer and the Commission prompt written notice if any petition, assignment, appointment or possession referred to in Section 8.01(d) and 8.01(e) is filed by or against the Borrower or of the occurrence of any other event or condition which constitutes an Event of Default, or with the passage of time or the giving of notice would constitute an Event of Default, immediately upon becoming aware of the existence thereof.

Section 8.03. Remedies upon Event of Default. Whenever any Event of Default referred to in Section 8.01 hereof shall have happened and be continuing, the Commission or the Trustee shall, with the written consent of the Bond Insurer (unless the Bond Insurer is in default under the Bond Insurance) or upon the direction of the Bond Insurer (unless the Bond Insurer is in default under the Bond Insurance), 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 provided in Section 9.02 of the Indenture, and, without limitation, one or more of the following:

(a) Declare all Loan Payments, in an amount equal to 100% of the principal amount thereof plus all accrued interest thereon to the date on which such Loan Repayments shall be used to redeem Bonds pursuant to Section 3.02 of the Indenture and all other amounts due hereunder, to be immediately due and payable, and upon notice to the Borrower the same shall become immediately due and payable by the Borrower without further notice or demand.

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

Section 8.04. [THIS SECTION RESERVED].

Section 8.05. No Remedy Exclusive; Waiver, Notice. No remedy herein conferred upon or reserved to the Commission or the Trustee 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 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 Commission or the Trustee to exercise any remedy reserved to it in this Article VIII, it shall not be necessary to give any notice other than such notice as may be required in this Article VIII.

Section 8.06. Application of Moneys. Any moneys collected by the Commission or the Trustee pursuant to Section 8.03 hereof shall be applied (a) first, to pay any attorney's fees or other expenses owed by Borrower pursuant to Section 5.03(b)(3) and (4) hereof, (b) second, to pay interest due on the Loan, (c) third, to pay principal due on the Loan, (d) fourth, to pay any other amounts due hereunder, and (e) fifth, to pay interest and principal on the Loan 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 8.06).

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ARTICLE IX

MISCELLANEOUS

Section 9.01. Notices. All notices, certificates or other communication 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:

Commission: First Florida Governmental Financing Commission
Attention: Richard C. Dowdy
P.O. Box 14923
Tallahassee, Florida 32317-4923

Trustee, Paying Agent
and Registrar: SunTrust Bank
Attention: Corporate Trust Department
225 E. Robinson Street, Suite 250
Orlando, Florida 32801

Bond Insurer: Ambac Assurance Corporation
Attention: Surveillance Department
(unless otherwise noted)
One State Street Plaza
New York, New York 10004

Borrower: City of Gainesville
Attention: Director of Finance
200 East University Avenue, Station #7
Gainesville, Florida 32601

with a copy to: Marion J. Radson, Esq.
City Attorney
200 East University, Suite 425
Gainesville, FL 32601

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 9.02. Binding Effect. This Loan Agreement shall inure to the benefit of and shall be binding upon the Commission and the Borrower and their respective successors and assigns.

Section 9.03. Severability. In the event any provision of the 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 9.04. Amendments, Changes and Modifications. This Loan Agreement may be amended by the Commission and the Borrower as provided in the Indenture; provided, however, that no such amendment shall be effective unless it shall have been consented to in writing by the Bond Insurer.

Section 9.05. Execution in Counterparts. This Loan Agreement may be simultaneously executed in several counterparts, each of which, when so executed and delivered, shall be an original and all of which shall constitute but one and the same instrument.

Section 9.06. Applicable Law. This Loan Agreement shall be governed by and construed in accordance with the laws of the State of Florida.

Section 9.07. Benefit of Bondholders; Compliance with Indenture. This Loan Agreement is executed in part to induce the purchase by others of the Bonds. Accordingly, all covenants, agreements and representations on the part of the Borrower and the Commission, 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. The Borrower covenants and agrees to do all things within its power in order to enable the Commission to comply with all requirements and to fulfill and to enable the Commission to fulfill all covenants of the Indenture relating to the Loan.

Section 9.08. Consents and Approvals. Whenever the written consent or approval of the Commission shall be required under the provisions of this Loan Agreement, such consent or approval may be given by an Authorized Representative of the Commission or such other additional persons provided by law or by rules, regulations or resolutions of the Commission.

Section 9.09. Immunity of Officers, Employees and Members of Commission and Borrower. No recourse shall be had for the payment of the principal of or premium or interest hereunder 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, counsel, employee, director or agent, as such, of the Commission or the Borrower, either directly or through the Commission or the Borrower, or 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, counsels, 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.

Section 9.10. 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 of sections of this Loan Agreement.

Section 9.11. No Pecuniary Liability of Commission. No provision, covenant or agreement contained in this Loan Agreement, or any obligation herein imposed upon the Commission, or the breach thereof, shall constitute an indebtedness or liability of the State or any political subdivision or municipal corporation of the State or any public corporation or governmental agency existing under the laws thereof other than the Commission. In making the agreements, provisions and covenants set forth in this Loan Agreement, the Commission has not obligated itself except with respect to the application of the proceeds of the Bonds, revenues, income and all other property as derived herefrom, as hereinabove provided.

Section 9.12. Payments Due on Holidays. With the exception of Basic Payments, 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 other than on a Business Day, such payments may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided in this Loan Agreement.

Section 9.13. Calculations. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.

Section 9.14. Time of Payment. Any Loan Repayment or other payment hereunder which is received by the Trustee or Commission after 2:00 p.m. (New York time) on any day shall be deemed received on the following Business Day.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the First Florida Governmental Financing Commission has caused this Loan Agreement to be executed in its corporate name with its corporate seal hereunto affixed and attested by its duly authorized officers and the City of Gainesville, Florida, has caused this Loan Agreement to be executed in its corporate name with its corporate seal hereunto affixed and attached by its duly authorized officers. All of the above occurred as of the date first above written.

(SEAL)

FIRST FLORIDA GOVERNMENTAL
FINANCING COMMISSION

ATTEST:

By: _____
Name: Carlos E. Garcia
Title: Chairman

By: _____
Name: Mervyn C. Timberlake, Jr.
Title: Secretary-Treasurer

(SEAL)

CITY OF GAINESVILLE, FLORIDA

ATTESTED:

By: _____
Name: Barbara W. Lipscomb
Title: Interim City Manager

By: _____
Name: Kurt M. Lannon
Title: Clerk of the City Commission

Approved as to form and legality
this 1st day of March, 2005.

By: _____
Name: Marion J. Radson
Title: City Attorney

[Signature Page to the Loan Agreement - City of Gainesville for
First Florida Governmental Financing Commission
Revenue Bonds, Series 2005]

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EXHIBIT A

CITY OF GAINESVILLE, FLORIDA
USE OF LOAN PROCEEDS

DESCRIPTION OF PROJECT

<u>Project to be Financed</u>	<u>Total Amount To Be Financed</u>
Various capital projects, including without limitation, the acquisition of properties for and construction of stormwater infrastructure and transportation facilities, refurbishment and renovation of municipal facilities, and acquisition of properties for and undertaking of capital projects for redevelopment	\$

OTHER USES OF LOAN PROCEEDS

<u>Description</u>	<u>Amount</u>
Net Original Issue Discount	\$
Issuance Costs	
Underwriters' Discount ⁽¹⁾	
Insurance Premium	
TOTAL OTHER USES OF LOAN AMOUNT	\$

(1) This amount shall not actually be received by the Borrower. Rather, it will be kept by the underwriters of the Bonds as their fees and expenses at the closing of the Bonds.

EXHIBIT B

CERTIFIED RESOLUTION OF THE BORROWER

EXHIBIT C

OPINION OF BORROWER'S COUNSEL

[Letterhead of Counsel to Borrower]

_____, 2005

First Florida Governmental Financing Commission
Tallahassee, Florida

Ambac Assurance Corporation
New York, New York

Bryant Miller & Olive P.A.
Tampa, Florida

Ladies and Gentlemen:

I am counsel to the City of Gainesville, Florida (the "Borrower"), and have been requested by the Borrower to give this opinion in connection with the loan by the First Florida Governmental Financing Commission (the "Commission") to the Borrower of funds to finance or refinance all or a portion of the cost of the Project as defined in and as described in Exhibit A to the Loan Agreement, dated as of March 1, 2005 (the "Loan Agreement"), between the Commission and the Borrower, the Continuing Disclosure Certificate, dated as of March 1, 2005 (the "Continuing Disclosure Certificate"), executed by the Borrower, and the Interlocal Agreement dated as of November 26, 1985 (as amended from time to time, the "Interlocal Agreement"), between the Borrower and certain other counties and municipalities in the State of Florida.

In this connection, I have reviewed such records, certificates and other documents as I have considered necessary or appropriate for the purposes of this opinion, including applicable laws, and ordinances enacted by the City Commission of the Borrower, the Loan Agreement, a Trust Indenture dated as of March 1, 2005 (the "Indenture") between the Commission and SunTrust Bank, as trustee (the "Trustee") and Resolution No. ____-____ adopted by the City Commission of the Borrower on _____, 2005 (the "Resolution"). Based on such review, and such other considerations of law and fact as I believe to be relevant, I am of the opinion that:

(a) The Borrower is a municipal corporation duly organized and validly existing under the Constitution and laws of the State and under the provisions of the Constitution and

laws of the State. The Borrower has the legal right and all requisite power and authority to enter into the Interlocal Agreement, the Loan Agreement and the Continuing Disclosure Certificate, 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 adopted the Resolution and authorized, executed and delivered each of the Loan Agreement, the Continuing Disclosure Certificate and the Interlocal Agreement, and they are each a legal and binding obligation of the Borrower enforceable against the Borrower in accordance with its terms, except to the extent that the enforceability thereof 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. The Loan (as such term is defined in the Loan Agreement) is a special limited obligation of the Borrower payable solely from the security made available by the Borrower pursuant to the Loan Agreement. Neither the general credit nor the taxing power of the Borrower nor the State of Florida or any political subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on the Loan.

(c) The adoption of the Resolution and the execution and delivery of the Loan Agreement, the Continuing Disclosure Certificate, and the Interlocal Agreement, the consummation of the transactions contemplated thereby, the financing of the acquisition, construction, reconstruction, improvement and equipping of the Project and the fulfillment of or compliance with the terms and conditions of the Loan Agreement, the Continuing Disclosure Certificate and the Interlocal Agreement do not and, to my best knowledge, 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 to the best of my knowledge, the Borrower is not otherwise in violation of any of the foregoing in a manner material to the transactions contemplated by such agreements.

(d) There is no litigation or legal or governmental action, proceeding, inquiry or investigation pending against the Borrower or, to the best of my knowledge, threatened against the Borrower or to which the Borrower is a party or of which any property of the Borrower is subject, which has not been disclosed in the Official Statement relating to the Bonds under the heading "LITIGATION" 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, the Continuing Disclosure Certificate or the Interlocal Agreement.

I am an attorney 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,

EXHIBIT D

<u>Loan Repayment Dates</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Interest</u>	<u>Total Basic Payment</u>
07/01/2005	\$	%	\$	\$
01/01/2006				
07/01/2006				
01/01/2007				
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07/01/2008				
01/01/2009				
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