

RESOLUTION NO.: 94-206

"A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF ST. JOHNS COUNTY, FLORIDA: (i) APPROVING AND AWARDED A LINE OF CREDIT AGREEMENT WITH SUN BANK, NATIONAL ASSOCIATION TO PROVIDE ST. JOHNS COUNTY WITH FINANCIAL ACCOMMODATIONS OF UP TO \$6,000,000 TO FINANCE CERTAIN ROADWAY AND OTHER CAPITAL IMPROVEMENTS UNDER THE COUNTY'S CAPITAL IMPROVEMENTS PROGRAMS; (ii) AUTHORIZING THE SECURITY FOR SUCH LINE OF CREDIT TO BE CERTAIN SPECIAL ASSESSMENTS LEVIED AND COLLECTED BY THE COUNTY ON THE REAL PROPERTY WITHIN THE MUNICIPAL BENEFIT SERVICE UNITS CREATED OR TO BE CREATED BY THE COUNTY PURSUANT TO SECTION 125.01 OF THE FLORIDA STATUTES WHEREIN THE PROJECT IS LOCATED; (iii) AUTHORIZING THE EXECUTION AND DELIVERY OF A LINE OF CREDIT AGREEMENT; (iv) APPROVING THE FORM OF NOTE(S) TO EVIDENCE THE OBLIGATIONS SET FORTH IN THE LINE OF CREDIT AGREEMENT; (v) AUTHORIZING A NEGOTIATED SALE OF THE NOTES; AND (vi) AUTHORIZING THE PROPER OFFICIALS OF THE COUNTY TO DO ANY OTHER ADDITIONAL THINGS DEEMED NECESSARY OR ADVISABLE IN CONNECTION WITH THE EXECUTION OF THE LINE OF CREDIT AGREEMENT, THE NOTES, AND THE SECURITY THEREFOR."

BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. JOHNS COUNTY, FLORIDA, AS FOLLOWS:

SECTION 1. FINDINGS AND AWARD OF LINE OF CREDIT RELATIONSHIP.

(A) St. Johns County, Florida (the "County"), pursuant to the provisions of the Florida Constitution; Chapter 125 of the Florida Statutes, as amended and supplemented, the County's Ordinance No. 86-89, and any other applicable provisions of law (all of the foregoing, collectively, the "Act") is authorized to, in accordance with the Act, borrow money, issue bonds, notes or other obligations to finance the costs of capital expenditures for the County's public purpose.

(B) The Board of County Commissioners of St. Johns County, Florida (the "Board") has solicited proposals from qualified financial institutions for a line of credit to be used to finance certain capital improvement projects to be funded through non-ad valorem assessments that are levied or will be levied pursuant to one or more MSBU ordinances and approved by the Board (the "Project");

(C) Sun Bank, National Association, Orlando, Florida ("Sun Bank") has responded to the Board with a financing proposal dated October 12, 1994 for a line of credit and notes and the Board, pursuant to Section 218.385, Florida Statutes, has determined that it is in its best interest, taking all pricing factors of the transaction into consideration and given the size of the proposed borrowing, to enter into this line of credit agreement/arrangement with Sun Bank and

to execute an appropriate note(s) in connection therewith to the order of Sun Bank, all in a negotiated-sale fashion.

SECTION 2. AUTHORIZATION BY BOARD OF LINE OF CREDIT AGREEMENT AND FORM OF NOTE.

The Board hereby authorizes a negotiated sale of each of the Note(s) to Sun Bank and further authorizes the Chair, or the Vice-Chair in the Chair's absence or unavailability, and the County Clerk, or a designated deputy County Clerk, in the County Clerk's absence or unavailability, to execute and deliver on behalf of the County the line of credit agreement substantially in the form attached hereto as Exhibit "A" (the "Line of Credit Agreement") between the County and Sun Bank. The Board hereby approves the form of note attached hereto as Exhibit "B" (each a "Note," collectively, the "Notes") to be made by the County to the order of Sun Bank. Each of the of the Line of Credit Agreement and the form of Note are approved and authorized, with such changes, insertions, and additions as the above-referenced officers may approve, their execution thereof being evidence of such approval.

This Resolution authorizes and approves the execution and delivery of the Line of Credit Agreement only, the execution and delivery of each Note (the form of which is approved hereby) shall be authorized and approved by subsequent resolutions.

SECTION 3. PLEDGE OF DESIGNATED REVENUES TO SECURE LINE OF CREDIT AND NOTE.

The Board hereby designates the Designated Revenues that are defined in the Line of Credit Agreement as the sole source of revenue to be pledged to secure the obligations of the County under the Line of Credit and Notes, all as in accordance with the terms of the Line of Credit Agreement.

SECTION 4. AUTHORIZATION OF OTHER DOCUMENTS TO EFFECTUATE TRANSACTION.

To the extent that other documents, certificates, opinions, or items are needed to effectuate any of the transactions referenced in this Resolution or the Line of Credit Agreement or the Notes and the security therefor, the Chair, or the Vice-Chair in the Chair's absence or unavailability, and the County Clerk, or a designated deputy County Clerk, in the County Clerk's absence or unavailability, are hereby authorized to execute and deliver on behalf of the County such documents, certificates, opinions, or other items and to take such other actions as are necessary for the full, punctual, and complete performance of the covenants, agreements, provisions, and other terms as are contained herein and in the documents included herein by reference.

SECTION 5. LIMITED OBLIGATION. The obligation of the County to repay amounts drawn under the Line of Credit Agreement and the Notes is a limited and special obligation

payable solely from the Designated Revenues in the manner set forth in the Line of Credit Agreement and shall not be deemed a pledge of the faith and credit or taxing power of the County and such obligation shall not create a lien on any property whatsoever of or in the County other than the Designated Revenues.

SECTION 6. REPEAL OF INCONSISTENT DOCUMENTS. All resolutions or parts thereof in conflict herewith are hereby superseded and repealed to the extent of such conflict.

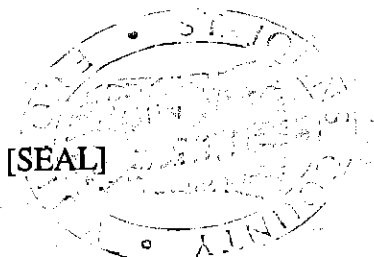
SECTION 7. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED this 8 day of November, 1994.

BOARD OF COUNTY COMMISSIONERS
ST. JOHNS COUNTY, FLORIDA

Delean Roberts

Chair of Board of County Commissioners
of St. Johns County, Florida



Attest: Carl "Bud" Markel, Clerk

Deputy *Yvonne Carter*
Clerk of the Circuit Court
St. Johns County, Florida

mvw Draft 11/3/94
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**ST. JOHNS COUNTY, FLORIDA
REVENUE LINE OF CREDIT NOTE,
ADVANCE NUMBER 1, SERIES 1994**

Principal Sum
\$ _____

Date of Issuance
November __, 1994

FOR VALUE RECEIVED, ST. JOHNS COUNTY, FLORIDA (the "County"), hereby promises to pay to the order of SUN BANK, NATIONAL ASSOCIATION, a national banking corporation, or its registered assigns (the "Noteholder"), at 200 South Orange Avenue, Orlando, Florida, or at such other place as the Noteholder may from time to time designate in writing, but solely from the Designated Revenues defined in the Line of Credit Agreement hereafter referenced, the Principal Sum stated above, that has been advanced to the County by the Noteholder pursuant to that certain Line of Credit Agreement by and between the Noteholder and the County dated as of November __, 1994 (the "Line of Credit Agreement"), together with interest thereon as hereinafter provided. This Note is payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Payments hereunder shall be made to the Noteholder hereof by check mailed to the Noteholder at the address designated in writing by the Noteholder for purposes of payment or by bank wire or bank transfer as the Noteholder may specify in writing to the County or otherwise as the County and the Noteholder may agree.

Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Line of Credit Agreement.

The principal sum of this Note shall bear interest at the Note Rate (as defined in the Line of Credit Agreement) from the date of its Advance to the date on which all principal and all unpaid interest accrued thereon shall be due and payable in full, which such date, if not sooner due to acceleration or prepayment, shall be September 30, 1999 (the "Final Maturity Date"). Interest on the Note shall be computed on the basis of a 360 day year consisting of twelve (12) thirty (30) day months. Upon the occurrence of one or more of the events specified in Section 3.04 of the Line of Credit Agreement, the Note Rate shall be adjusted as therein provided. The Noteholder shall provide the County with documentation to evidence any adjustment to the Note Rate made under Section 3.04 of the Line of Credit Agreement.

The repayment schedule for the Note shall be as follows:

(1) During the Loan Origination Period, the County shall be required to pay annual interest only on the Note, with such payments to be due and payable on each July 1, commencing on July 1, 1995. All principal and accrued interest shall be due and payable on the Final Maturity Date.

(2) At the option of the County, but subject the Bank's unfettered discretion, within 180 days of the Final Maturity Date maturity (i.e., prior to the date thereof), the Borrower may

request the conversion of the then current amount outstanding under this Note into a term obligation. Such term obligation would be for a maximum maturity of ten years and shall be fully amortizing during that time (i.e., no extended amortization with a balloon payment shall be offered). In no event shall the term of the Note extend past the latest term of the special assessments pledged to repay the same. As referenced above, the County's request for such term loan conversion shall be entirely subject to the Bank's discretion and the Bank shall have the right to ask for reasonable assurances, security and documentation regarding such extension for review purposes prior to extending the same.

The County may prepay this Note in whole or in part without penalty or premium out of any monies of the County legally available therefor. Each prepayment shall be made on such date and in such principal amount as shall be specified by the County in a written notice delivered to the Noteholder not more than fifteen (15) and not less than five (5) days prior to the specified prepayment date. Any prepayment shall be applied first to accrued but unpaid interest hereon, then to other charges, if any, due the Noteholder hereunder, and thereafter to the principal sums last maturing hereunder.

This Note is one of the Notes authorized to be issued in the outstanding aggregate principal amount of not exceeding \$6,000,000 under the authority of and in full compliance with the Constitution and statutes of the State of Florida, including, particularly, Chapter 125, Florida Statutes, as amended and supplemented, the County's Ordinance No. 86-89, and other applicable provisions of law, the County's Resolution No. 94-__ effective November __, 1994 and the County's Resolution No. 94-__ effective November __, 1994, and is subject to all terms and conditions of said Resolutions (the "Resolutions"). Any term used in this Note and not otherwise defined shall have the meaning ascribed to such term in the Resolution or the Line of Credit Agreement, as the case may be.

In no event shall the interest contracted for, charged or received in connection with the Line of Credit Agreement and this Note (including any other costs and considerations that constitute interest under the laws of the State of Florida) ever exceed the least of:

(a) the interest and other costs and considerations constituting interest that have been contracted for in this Note and the Line of Credit Agreement;

(b) the interest and other costs and considerations constituting interest that would represent interest at the maximum rate of nonusurious interest allowed under the laws of the State of Florida as presently in effect; provided, however, that if such maximum rate of nonusurious interest hereafter is increased by such laws, commencing on the date such increase becomes lawful, the increased maximum rate of nonusurious interest, but in no event shall any amount ever be paid or payable by the County greater than the amount contracted for herein; and

(c) the amounts that would represent interest at the maximum rate of lawful interest permitted by Section 215.84(3), Florida Statutes, as presently in effect and to the extent an increase is allowable by such laws.

In the event the maturity of this Note is accelerated or prepaid in accordance with the provisions hereof, then such amounts that constitute payments of interest, together with any costs or considerations which constitute interest under the laws of the State of Florida, may never exceed an amount which would result in payment of interest at a rate in excess of that permitted by Section 215.84(3) of the Florida Statutes as presently in effect and to the extent an increase is allowable by such laws; and excess interest, if any, shall be canceled automatically as of the date of such acceleration, or, if theretofore paid, shall be credited on the principal amount of this Note unpaid, but such crediting shall not cure or waive any default under the Line of Credit Agreement or Resolution.

THIS NOTE, WHEN DELIVERED BY THE COUNTY PURSUANT TO THE TERMS OF THE LINE OF CREDIT AGREEMENT AND THE RESOLUTIONS, SHALL NOT BE OR CONSTITUTE AN INDEBTEDNESS OF THE COUNTY OR OF THE STATE OF FLORIDA (THE "STATE"), WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATIONS OF INDEBTEDNESS, BUT SHALL BE PAYABLE SOLELY FROM THE DESIGNATED REVENUES, AS PROVIDED IN THE LINE OF CREDIT AGREEMENT AND THE RESOLUTIONS. THE NOTEHOLDER SHALL NEVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE COUNTY OR THE STATE, OR TAXATION IN ANY FORM OF ANY PROPERTY THEREIN TO PAY THIS NOTE OR THE INTEREST THEREON.

Upon the occurrence of an Event of Default the principal of this Note may become or be declared due and payable before the Final Maturity Date in the manner, with the effect and subject to the conditions set forth in the Line of Credit Agreement and Resolutions. The Noteholder shall also have such other remedies as described in the Line of Credit Agreement.

The County hereby waives presentment, demand, protest and notice of dishonor. This Note is governed and controlled by the Line of Credit Agreement and reference is hereby made thereto regarding interest rate adjustments, acceleration, and other matters.

IN WITNESS WHEREOF, the County has caused this Note to be signed by its Chair of the Board of County Commissioners, either manually or with facsimile signature, and the seal of the County to be affixed hereto or imprinted or reproduced hereon, and attested by the Clerk of Courts, either manually or with facsimile signature, and this Note to be dated the Date of Issuance set forth above.

(SEAL)

ST. JOHNS COUNTY

ATTEST: _____
Clerk of the Circuit Court

By: _____
Chair of Board of County
Commissioners of St. Johns
County, Florida

FORM OF CERTIFICATE OF AUTHENTICATION

Date of Authentication: November __, 1994

This Note is being delivered pursuant to the within mentioned Resolution.

FINANCE DIRECTOR, as Registrar

By: _____

Name:

Authorized Officer

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned Noteholder sells, assigns and transfers unto _____ (please print or typewrite name, address and tax identification number of assignee) _____ the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints _____ Attorney to transfer the within Note on the books kept for registration thereof, with full power of substitution in the premises.

Noteholder

\$6,000,000 Line of Credit Agreement

Dated as of November __, 1994

By and Between

ST. JOHNS COUNTY, FLORIDA
(the "County")

and

SUN BANK, NATIONAL ASSOCIATION
(the "Bank")

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LINE OF CREDIT AGREEMENT

THIS LINE OF CREDIT AGREEMENT (this "Agreement"), made and entered into as of November __, 1994, by and between ST. JOHNS COUNTY (the "County"), a political subdivision of the State of Florida, and SUN BANK, NATIONAL ASSOCIATION, a national banking association, and its successors (the "Bank").

W I T N E S S E T H:

WHEREAS, capitalized terms used in these recitals and not otherwise defined shall have the meanings specified in Article I of this Agreement;

WHEREAS, the County, pursuant to the provisions of the Florida Constitution; Chapter 125 of the Florida Statutes, as amended and supplemented; the County's Ordinance No. 86-89 and any other applicable provisions of law (all of the foregoing, collectively, the "Act") is authorized to borrow money, issue bonds, notes or other obligations to finance the costs of capital expenditures for the County's public purpose;

WHEREAS, the County desires to borrow certain sums from the Bank in order to finance certain roadway and other capital improvements within certain Municipal Benefit Service Units ("MSBUs") created, or to be created, by the County pursuant to Section 125.01 of the Florida Statutes, (collectively, the "Project");

WHEREAS, the Bank has agreed to provide financial accommodations to the County in an amount of up to six million dollars (\$6,000,000) in the form of a five year non-revolving line of credit under which Advances shall be made and each Advance shall be evidenced by a Note;

WHEREAS, each Note shall be an advance made for one individual MSBU and that portion of the Project included therein;

WHEREAS, each Note shall have a term conversion option (i.e., amounts outstanding under the Note may, subject to prior Bank approval, convert to up to a ten year term obligation), all solely in accordance with the terms set forth herein (the Advances, the Notes, and the term conversion features thereof sometimes referred to collectively herein as the "Loan");

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

ARTICLE I

DEFINITION OF TERMS

1.01 Definitions. Capitalized terms used in this Agreement and not otherwise defined shall have the respective meanings as follows:

"Act" shall have the meaning assigned to that term in the preambles hereof.

"Advance" shall mean the payment of a portion of the Loan to the Borrower by the Bank during the Loan Origination Period in accordance with Section 3.03 hereof. Each Advance shall be made for the specific benefit of only one MSBU and shall be evidenced by its own Note.

"Advance Letter" shall mean a request letter from the County as described in Section 3.03 hereof.

"Agreement" shall mean this Line of Credit Agreement and all modifications, alterations, amendments and supplements hereto made in accordance with the provisions hereof.

"Bank" shall mean Sun Bank, National Association, Orlando, Florida, and its successors.

"Bond Counsel" shall mean, initially, Maguire, Voorhis & Wells, P.A., Orlando, Florida, or any other attorney at law or firm of attorneys of nationally recognized standing in matters pertaining to the federal tax exemption of interest on obligations issued by states and political subdivisions.

"Business Day" shall mean any day other than a Saturday, a Sunday, or a day on which banks in Orlando, Florida are authorized or required to be closed.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and the applicable rules and regulations promulgated thereunder.

"County" shall mean St. Johns County, a political subdivision of the State of Florida.

"Default Rate" shall mean the Prime Rate plus three percent (3%) provided such rate shall not exceed the highest rate of interest allowed by applicable law.

"Designated Revenues" shall mean the sources of funds available and dedicated to pay the Notes, which shall consist solely of (a) Special Assessments, and proceeds thereof including without limitation proceeds from the sale of tax certificates and special assessment foreclosures pursuant to Chapter 197; (b) to the extent that moneys derived from the source

specified in (a) are insufficient to repay the Notes in full, any legally available funds of the County derived from sources other than ad valorem taxation which the County, in its sole discretion, then specifies by resolution as Designated Revenues; and (c) proceeds of any obligations issued by the County specifically for the refunding of the Loan.

"Determination of Taxability" shall mean the circumstance that shall be deemed to have occurred if interest paid or payable on the Notes becomes includable for federal income tax purposes in the gross income of the Noteholder as a consequence of any act, omission or event whatsoever, and regardless of whether the same was within or beyond the control of the County. A Determination of Taxability will be deemed to have occurred upon (a) the receipt by the County or a Noteholder of an original or a copy of an Internal Revenue Service Technical Advice Memorandum or Statutory Notice of Deficiency which holds that any interest payable on the Notes is includable in the gross income of the Noteholder; (b) the issuance of any public or private ruling of the Internal Revenue Service that any interest payable on the Notes is includable in the gross income of a Noteholder; or (c) receipt by the County or the Noteholder of an opinion of Notes Counsel to the effect that any interest on the Notes has become includable in the gross income of the Noteholder for federal income tax purposes. For all purposes of this definition, a Determination of Taxability will be deemed to occur on the date as of which the interest on the Notes is deemed includable in the gross income of the Noteholder. A Determination of Taxability shall not occur in the event such interest is taken into account in determining adjusted current earnings for the purpose of the alternative minimum tax imposed on corporations.

In the case of (a) and (b) above, no Determination of Taxability shall be deemed to occur unless the County has been given timely written notice that such a determination has been made by the Internal Revenue Service and an opportunity to participate in and seek, at its own expense, a final administrative determination or determination by a court of competent jurisdiction (from which no further right of appeal exists) as to the existence of such event of taxability; provided that the County, at its own expense, delivers to the Bank an opinion of Bond Counsel acceptable to the Bank to the effect that such appeal or action for judicial or administrative review is not without merit and there is a reasonable possibility that the judgment, order, ruling or decision from which such appeal or action for judicial or administrative review is taken will be reversed, vacated or otherwise set aside.

"Event of Default" shall mean an Event of Default as defined in Section 5.01 of this Agreement.

"Final Maturity Date" shall mean the date on which all principal and all unpaid interest accrued on the Note with the latest maturity date shall then be due and payable in full, with such date, if not sooner due to acceleration or prepayment, to be the end of the Loan Origination period (i.e., September 30, 1999), provided, however, that if the County, has requested in accordance with Section 3.02(c) hereof, and the Bank has granted a request that certain of the Notes be converted to term obligations beyond the Loan Origination Period, then the Final Maturity Date for each individual Note shall be, again subject to acceleration and

prepayment, that date upon which the Special Assessments securing such Note terminates and in any event no later than September 30, 2009.

"Fiscal Year" shall mean the twelve month period commencing October 1 of each year and ending on the succeeding September 30, or such other twelve month period as the County may designate as its "fiscal year" as permitted by law.

"Loan" shall have the meaning assigned to such term in the preambles hereof; provided, however if such term is used herein for the purpose of the calculation of interest or fees such term shall have the meaning which indicates the then current aggregate amount of Advances under the Notes outstanding under this Agreement.

"Loan Origination Period" shall mean that period in which the County, absent the occurrence of an Event of Default, may request Advances hereunder which period shall begin upon the final execution of this Agreement by both parties and terminate on September 30, 1999.

"LIBOR Rate" shall mean the London Interbank Offered Rate, as published in the Wall Street Journal, for deposits of dollars in like amounts to the amount of the Loan; the LIBOR Rate shall be determined by the Bank and shall be based upon the then applicable 90 day LIBOR Rate quoted in financial industry trade daily publications; given that the LIBOR Rate may adjust every 90 days, this rate is a floating rate.

"Maximum Corporate Tax Rate" shall mean (a) on the date of execution of this Agreement, 35% and (b) thereafter, the maximum marginal rate of income tax imposed on corporations under Section 11 of the Code.

"MSBU OR MSBUs" shall have the meaning assigned to such terms in the preambles hereof.

"Notes" shall mean the St. Johns County, Florida Line of Credit Revenue Notes, Advance Number __ (Series 199_), and shall include each Note representative of an Advance hereunder.

"Noteholder" shall mean the Bank as the holder of the Notes and any subsequent registered holder of any of the Notes.

"Noteholder's Adjusted Cost of Funds" shall mean the fraction (expressed as a percentage) determined by the Noteholder or in the case of the Bank, determined by the Bank, the numerator of which is the total interest expense of the Noteholder for each calendar year and the denominator of which is the total average adjusted bases of all assets of the Noteholder during the calendar year as determined under Section 265(b)(2)(B) of the Code or any successor provision thereto.

"Note Rate" shall mean the rate of interest to be borne by the Notes, which shall be:

(a) an interest rate equal to the Bank's equivalent taxable yield (as determined in accordance with the formula set forth in Schedule A attached hereto) of one hundred basis points (i.e., 1%) over the then applicable ninety (90) day LIBOR Rate subject to the adjustments set forth in Section 3.04 hereof upon the occurrence of the events referred to therein;

(b) following the occurrence and during the continuance of any Event of Default, the Default Rate; and

(c) following a Determination of Taxability, the Taxable Rate.

If at any time during the period in which Advances can be made (i.e., within the first five years of the making thereof) and providing that no Event of Default then exists, the County shall have the right by so requesting from the Bank, at least 30 days prior to the rate conversion date requested, to convert and fix the Note Rate at the rate then in effect upon the date requested for fixing such rate (i.e., a date at least 30 days from the date of written request). This fixed rate conversion right is made subject to the Bank's receipt of a Bond Counsel opinion stating that such conversion has no adverse affect on the tax exempt status of the Bond.

"Project" shall have the meaning assigned to such term in the preambles hereof.

"Prime Rate" shall mean the interest rate (not necessarily the best or lowest rate) announced by Sun Banks, Inc. from time to time as its prime rate (which rate is only a benchmark, is purely discretionary, and is not necessarily the best or lowest rate charged borrowing customers of any subsidiary of Sun Banks, Inc.), with any change in the Prime Rate to be effective on the day any such change in the Prime Rate is announced by the Bank.

"Resolution" shall mean Resolution No. 94-___, adopted at a meeting of the Board of County Commissioners of the County on November ___, 1994 which among other things authorized and confirmed the Loan and execution and delivery of this Agreement and the issuance of the Bond and such supplementary resolutions of the County as are satisfactory to the Bank.

"Special Assessments" shall mean those special assessments levied on the real property within the MSBUs wherein the Project is located in accordance with the Act; such Special Assessments shall include only those special assessments adopted to acquire, design, construct and/or finance the applicable portions of the Project, including capitalized interest for the applicable Advance for up to two years from the date of such Advance. As referenced in the defined term Designated Revenues, the term Special Assessments shall also include the proceeds from the sale of tax certificates evidencing unpaid Special Assessment.

"Taxable Rate" shall mean the lower of Prime Rate plus two percent (2%) per annum, or the maximum interest rate permitted by applicable law.

"Uniform Method" shall mean the Uniform method for the levy, collection, and enforcement of non-ad valorem assessments (which by definition include the Special Assessments) contained in Sections 197.3632 et seq. of the Florida Statutes.

1.02 Interpretation. Unless the context clearly requires otherwise, words of masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa. Any capitalized terms used in this Agreement not herein defined shall have the meaning ascribed to such terms in the Resolution. This Agreement and all the terms and provisions hereof shall be construed to effectuate the purpose set forth herein and to sustain the validity hereof.

1.03 Titles and Headings. The titles and headings of the Articles and Sections of this Agreement, which have been inserted for convenience of reference only and are not to be considered a part hereof, shall not in any way modify or restrict any of the terms and provisions hereof, and shall not be considered or given any effect in construing this Agreement or any provision hereof or in ascertaining intent, if any question of intent should arise.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF THE PARTIES, CERTAIN COVENANTS OF COUNTY

2.01 Representations and Warranties of County. The County represents, warrants, and covenants to the Bank, as applicable, as follows:

(a) Existence. The County is a political subdivision of the State of Florida duly created and validly existing under the laws of the State of Florida, with full power to enter into this Agreement, to perform its obligations hereunder and to issue and deliver the Notes to the Bank. The making and performance of this Agreement on the part of the County and the issuance and delivery of the Notes have been duly authorized (or in the case of future Notes will be duly authorized) by all necessary action on the part of the County and will not violate or conflict with the Act, or any agreement, indenture or other instrument by which the County or any of its material properties is bound.

(b) Validity, Etc. Each of this Agreement, the Notes and the Resolution is (and will be) a valid and binding obligation of the County enforceable against the County in accordance with its terms, except to the extent that enforceability may be subject to valid bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or from time to time affecting the enforcement of creditors' rights and except to the extent that the availability of certain remedies may be precluded by general principles of equity.

(c) MSBUs. The County represents, warrants, and covenants to the Bank, as applicable, the following concerning the MSBUs, the Special Assessments, and the collection and application of the same.

(1) Formed in Accordance with Law. Each MSBU shall be formed in accordance with all applicable laws and regulations including without limitation the Act; THE COUNTY ACKNOWLEDGES AND AGREES THAT THE BANK SHALL BE UNDER NO OBLIGATION TO MAKE ANY ADVANCES FOR ANY MSBU OR MSBU WHICH HAVE NOT FIRST BEEN VALIDLY ESTABLISHED AND FOR WHICH FINAL SPECIAL ASSESSMENT ROLLS HAVE NOT BEEN ADOPTED IN AMOUNTS SUFFICIENT TO COMPLY WITH ALL OTHER PROVISIONS HEREOF.

(2) Uniform Method. All Special Assessments levied in each MSBU will be levied, collected and enforced in accordance with the Uniform Method; the County shall make all appropriate arrangements with its real property appraiser and tax collector to insure the same.

(3) Approval of Bank. As set forth herein in Section 3.03, no funding shall be provided under the Loan for any MSBU without the prior written approval of the Bank regarding the ultimate purpose of the MSBU, the Special Assessment methodology, final Special Assessment role, for each such MSBU.

(4) Debt Service Coverage Ratio. The County shall set the gross Special Assessments (inclusive of the property appraiser's and tax collector's fees) for each MSBU such that such assessments shall support at least a 1 to 1 debt service coverage ratio (i.e., covering both principal and interest) for the corresponding Advance and Note, assuming a non-payment of at least 5% of the amount for such Special Assessments, based upon an amortization period equivalent to the applicable assessment term; the amortization period/assessment term shall provide for payment in full of the applicable Advance and Note prior to or on September 30, 2009.

This Debt Service Coverage Ratio consists of three requirements:

(a) On a trailing twelve month basis, the County must certify and demonstrate through appropriate calculations, to the Bank that gross Special Assessments for that preceding year (with the same assumptions for collection fees and delinquencies set forth above) were sufficient to provide a 1 to 1 debt service coverage for each Advance and Note as if such Advance were fully amortizing over a period equal to the applicable Special Assessment term.

(b) On a prospective annual basis for each outstanding Note and Advance, the County must certify and demonstrate, through appropriate calculations, to the Bank that the gross Special Assessments for the assessment collection period, are

sufficient to provide a 1 to 1 debt service coverage for each outstanding Advance for a term which is equivalent to the term of the applicable Special Assessments.

(c) Each year the County must certify and demonstrate that it has honored its covenant to set Special Assessments in a fashion sufficient to satisfy (a) and (b) above.

(5) Special Assessments as Percentage of Benefitted Land Value. All Special Assessments levied on an annual basis for any of the MSBUs which are benefitted by the Loan shall never exceed an amount which is equal to 25% of the then appraised value of the assessed property.

(6) In no event shall the term of any Special Assessments exceed 15 years.

(d) The Project. The Project, which may include all costs, including planning, administration (as determined by cost accounting), construction, issuance, reimbursements, and capitalized interest for up to one year for the applicable Advance, and which shall be more fully described with the documentation submitted by the County in accordance with Section 3.01(a) hereof, shall be fully supported by public construction bonds or by payment and performance Bonds written on sureties acceptable to the Bank and shall name the Bank as an additional loss-payee thereon. The Project upon completion shall be certified to by an engineer with a final engineer's certificate stating that the improvements have been made in accordance with the plans and specifications therefor, previously approved by the Bank, and stating the useful life-span of the improvements; such certificate shall be copied to the Bank; the County represents and warrants that it will, and covenants that it shall, complete the Project. In no event shall Advances exceed costs of each respective individual MSBU's portion of the Project as such costs were requested with each respective Advance.

(e) Powers of County. The County has the legal power and authority (1) to pledge the Designated Revenues, and (2) to do all other things necessary as contemplated by this Agreement.

(f) No Prior Pledge. The County has not heretofore pledged or otherwise encumbered the Designated Revenues that will be used to repay or refinance the Loan; no other indebtedness of the County for borrowed money currently is payable out of Designated Revenues; and no additional debt will be issued by the County which is secured by a Special Assessment until such time as the applicable Note evidenced and secured by the Agreement has been paid in full without the prior written consent of the Bank.

2.02 Representations and Warranties of Bank. The Bank represents and warrants to the County as follows:

(a) Existence, Etc. The Bank is a national banking association, duly organized and validly existing under the laws of the United States of America, with full power to enter into this Agreement, to perform its obligations hereunder and to make the Loan. The performance of this Agreement on the part of the Bank and the making of the Loan have been duly authorized by all necessary action on the part of the Bank and will not violate or conflict with applicable law or any material agreement, indenture or other instrument by which the Bank or any of its material properties is bound.

(b) Validity. This Agreement is a valid and binding obligation of the Bank enforceable against the Bank in accordance with its terms, except to the extent that enforceability may be subject to valid bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or from time to time affecting the enforcement of creditors' rights (and specifically creditors' rights as the same relate to national banks) and except to the extent that the availability of certain remedies may be precluded by general principles of equity.

(c) Knowledge and Experience. The Bank (1) has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of making the Loan and investing in the Notes, (2) has received and reviewed such financial information concerning the County as it has needed in order to fairly evaluate the merits and risks of making the Loan and investing in the Notes; (3) is an "accredited investor" as such term is defined in Regulation D to the Securities Act of 1933; and (4) is purchasing the Notes as investments for its own account and not with a view toward resale to the public.

ARTICLE III

THE NOTES AND ADVANCES

3.01 Issuance of Notes during Loan Origination Period. During the Loan Origination Period and in the absence of an Event of Default (or an occurrence or omission which with the passage of time or the giving of notice would constitute an Event of Default), the County shall have the right to issue and deliver Notes, which Notes together with all other Notes issued hereunder, regardless as to whether such Notes remain outstanding hereunder, shall not exceed SIX MILLION AND 00/100 DOLLARS (\$6,000,000) in aggregate principal amount. Each Note shall be designated "St. Johns County, Florida, Line of Credit Revenue Note, Advance Number ___ (Series 199)". The text of the Notes shall be substantially in the form attached hereto as Exhibit A, with such omissions, insertions, and variations as may be necessary and desirable to reflect the terms of each Note. The provisions of the Note are hereby incorporated into this Agreement by reference.

3.02 The Notes. Each Note shall be dated the date of its delivery and shall bear interest from its date at the then applicable Note Rate, as as the same may be adjusted pursuant to the Section 3.03 hereof. Interest on the Notes shall be computed on the basis of twelve (12) thirty (30) day months (i.e., a 360 day year). The Notes may be executed in the name of the County by the manual signature of the Chair of the County Commissioners and attested by the

manual signature of the of Clerk of the Circuit Court for the County. In case any one or more of the officers who shall have signed and sealed any Note shall cease to be such officer of the County before the Note so signed and sealed shall have actually been delivered, such Note may nevertheless be delivered as herein provided and may be issued as if the person who signed or sealed the Notes had not ceased to hold such office. Any Note may be signed and sealed on behalf of the County by such person who at the actual time of the execution of such Note shall hold the proper office, although at the date the Notes shall actually be delivered, such person may not have held such office or may have been so authorized.

(a) Payments on the Notes. The repayment schedule for the Notes shall be as follows:

(1) During the Loan Origination Period, the County shall be required to pay annual interest only on the outstanding Notes, with such payments to be due and payable on each July 1 beginning July 1, 1995 (as stated herein a portion of each Advance may consist of up to one year's capitalized interest for such Advance).

(2) If the term option shall have not been requested, or denied by the Bank, all accrued interest and outstanding principal on the outstanding Notes shall be due and payable on the applicable Final Maturity thereof (i.e., September 30, 1999).

(3) If the term loan option is requested and granted as to certain Advances and Notes, then in that event after the Loan Origination Period, the County shall be required to repay each such Note in roughly equal annual installments of principal and interest, or level principal plus interest, with the first such installment to be due and payable on July 1, 2000, and subsequent installments to be due on the first of each succeeding July until the then applicable final maturity date for such Note which shall in no case be later than the Final Maturity Date (i.e., September 30, 2009). The entire balance of principal and accrued interest on the Notes, if not sooner paid as aforesaid, shall be due and payable on the applicable final maturity date. Installments paid as aforesaid shall be credited first to the actual interest then due, and thereafter to principal. If during the term loan portion of the Loan the Note Rate is a fixed rate, the annual payments shall be based upon a fixed payment amount provided by the Bank, if the Note Rate is then in the floating mode, annual payments shall consist of equal principal payments with appropriate amounts of accrued interest.

(b) Prepayments. The County may prepay any Note in whole or in part without penalty or premium out of any monies of the County legally available therefor. Each prepayment shall be made on such date and in such principal amount for such Note as shall be specified by the County in a written notice delivered to the Noteholder not more than fifteen (15) and not less than five (5) days prior to the specified prepayment date. Any prepayment shall be applied first to accrued but unpaid interest hereon, then to other charges, if any, due the Noteholder hereunder, and thereafter to the principal sums last maturing hereunder.

(c) Notes Due at Final Maturity (end of Loan Origination Period) Absent Request and Approval of Term Option. Following the Loan Origination Period, no additional Advances will be allowed hereunder and the aggregate amount of Advances drawn down during the Loan Origination Period shall be immediately due and payable on the Final Maturity Date which shall be coterminous with the Loan Origination Period; provided, however, that if the County shall request the Bank in writing by no later than 180 days prior to the end of the Loan Origination Period with a request to convert certain of the outstanding Notes at the end of the Loan Origination Period (or earlier provided the Bank is again give 180 days lead time) into a term loan, the Bank at its sole option, and subject to its request for and receipt of financial information regarding the MSBUs of the County and adequate applicable security for the term loan may grant such request. The Bank shall require a bond counsel opinion for each such term conversion stating that reissuance of debt remains exempt from applicable federal taxes. Following the approval of the Bank of such a request for selected Advances/Notes, such obligations shall represent term obligations subject to the terms thereof and hereof. **IN NO EVENT SHALL THE TERM OPTION BE GRANTED BY THE BANK FOR ANY ADVANCE IF THE TERM OF THE SPECIAL ASSESSMENTS SECURING SUCH ADVANCE AND NOTE EXCEEDS SEPTEMBER 30, 2009 AND SUCH SPECIAL ASSESSMENTS DO NOT PROVIDE THE DEBT SERVICE COVERAGE SET FORTH IN SECTION 2.01(c)(4) HEREOF.**

If the term option is granted, the applicable Advance and Note would fully amortize on a annual basis over a period not to exceed the earlier of ten (10) years from the date of the end of the Loan Origination Period (i e., the Final Maturity Date of September 30, 2009) or the latest term of the Special Assessments securing such Note. The interest rate for any Notes in the term mode would remain the Note Rate.

3.03 Procedure for Advances. Each Note shall be funded by an Advance made and each Advance shall be requested in accordance with this Section 3.03 and the form and contents of the Advance Letter attached hereto as Schedule B. Such request for Advance must be submitted to the Bank at least five (5) days prior to the requested date of funding for each such Advance. All Advances must be in a minimum amount of \$1,000,000 unless approved by the bank.

(i) as referenced in this Section 3.03 and the form of Advance Letter, prior to funding an Advance (each of which shall correspond solely to one MSBU and Note and its respective portion of the Project) the Bank shall have received:

1. Such documents as are necessary to show the valid authorization and establishment of the applicable MSBU.

2. Such documents as are necessary to evidence an absence of concentration (i.e., ownership in excess of 10% of the real property within the

MSBU) of property ownership by any one property owner in such MSBU, unless a higher concentration is consented to in writing by the Bank.

3. A detailed description of the infrastructure that will comprise the applicable portion of the Project and the costs therefor included in the advance (including a breakdown thereof including capitalized interest).

4. A public construction bond or a payment and performance bond referenced in Section 2.01 (d) hereof.

5. A Certificate from the County setting forth sufficient calculations for the Bank to determine that such Advance will fit within the debt service coverage ratio requirements set forth in Section 2.01(c)(4) hereof.

6. A fully executed nonarbitrage certificate relating to the Note to be issued.

7. A copy of the completed and executed Form 8038-G relating to the Note evidencing such Advance to be filed with the Internal Revenue Service.

8. A resolution of the Board of County Commissioners authorizing the Advance and the Note, determining that the Advance to be funded will serve a County purpose, and if applicable, designating such Note as a "bank qualified" obligation under Section 265(b) of the Code.

9. An opinion of Bond Counsel in form and substance satisfactory to the Bank to the effect that (A) the Agreement and the Note have been duly authorized by the County and are enforceable obligations in accordance with their terms and the resolution relating to such Note has been duly adopted and is enforceable in accordance with its terms (all subject to standard bankruptcy and equity exceptions), (B) interest on the Note shall be excluded from gross income for federal income tax purposes, (C) interest on the Notes shall be exempt from Florida documentary stamp taxes, and (D) if applicable, that such Note is a bank qualified obligation.

10. An opinion of the County's counsel in form and substance satisfactory to the Bank to the effect that (A) the Agreement and the Note have been duly authorized by the County and are enforceable obligations in accordance with their terms and the resolution relating to such Note has been duly adopted and is enforceable in accordance with its terms (all subject to standard bankruptcy and equity exceptions).

11. A certificate from the Finance Director of the County, dated the date of such Advance, to the effect that the Note Interest Rate on the Note is

in compliance with the maximum interest rate provisions contained in Section 215.84 of the Florida Statutes.

12. A fully executed Note dated the date of the Advance, in the principal amount of such Advance.

13. Such other documents as the Bank may reasonably request, including all required state filings.

Any Advance approved by the Bank (which approval or denial may come as late as the date of the requested Advance) shall be made by check, wire, or deposit, as requested by the County on such date of Advance. To the extent that the Bank denies a request for Advance, which is within its good faith discretion, it shall notify the County Administrator of such denial and the reasons therefor in writing no later than the date of the requested Advance funding. Notwithstanding the fact that each Advance shall be made for a single MSBU and that each Advance shall be evidenced by one Note, subject to compliance with applicable arbitrage regulations promulgated under the Code, an Advance may consist of multiple draws under the applicable Note. By way of example and not limitation, an Advance may consist of multiple construction draws under one Note. To the extent that such multiple draws under one Note do occur, the County shall not be responsible for interest on such moneys until they have been drawn down.

3.04 Adjustments to Note Rate.

(a) Adjustments to Note Rate. The Note Rate shall be subject to adjustments as described in this Section from the date of issuance of the Bond. The Bank shall promptly notify the County in writing of any adjustments for the Notes pursuant to this Section. Such adjustments shall become effective as of the effective date of the event causing such adjustment. Adjustments pursuant to this Section may be retroactive, except that no adjustment resulting from events (such as changes in federal or state tax laws, other than such laws that are specifically retroactive by their terms) that are not within the control of the County shall be retroactive for a period of more than six months from the date of its occurrence. The Bank shall certify to the County in writing the additional amount, if any, due to the Bank as a result of an adjustment pursuant to this Section.

(b) Particular Adjustments. Subject to the provisions of Section 3.04(a) above, the interest rate on the Notes shall be adjusted as follows:

(1) Loss of Federal Income Tax Deduction for State Income Taxes. If the federal income tax deduction for state income taxes paid on the interest payments received under the Bond during any period is reduced because of any change in the tax laws or regulations and the Noteholder is then subject to payment of state income tax on the interest on the Notes, then the interest rate on the Notes shall be increased during such period by an amount equal to $A \times B \times C \times D$ where:

(i) A equals the percentage (expressed as a decimal) of the total state income tax of the Noteholder disallowed as a result of such tax law change;

(ii) B equals the rate of the applicable state income tax (expressed as a decimal);

(iii) C equals the maximum federal corporate tax rate then in effect for the Noteholder (expressed as a decimal); and

(iv) D equals the interest rate on the Notes (expressed as a percentage).

(2) Partial Taxability. If the interest payments received under the Notes during any period become partially taxable to the extent not otherwise taxable on the date of issuance thereof because of any change in the tax laws or regulations, then the interest rate on the Notes shall be increased during such period by an amount equal to $(A - B) \times C$ where:

(i) A equals the Taxable Rate (expressed as a percentage);

(ii) B equals the interest rate on the Notes (expressed as a percentage); and

(iii) C equals the percentage of the interest rate on the Notes which has become taxable as the result of such tax change (expressed as a decimal).

(3) Other Changes in Tax Laws. If the tax laws or regulations are amended to cause the interest on the Notes to become taxable to the extent not otherwise taxable on the date of issuance thereof, to be subject to a minimum tax or an alternative minimum tax or to otherwise decrease the yield on the Notes to the Noteholder (directly or indirectly, other than a change described in (1) or (2) above or because of a Determination of Taxability), then the interest rate on the Notes shall be adjusted to cause the yield on the Notes, to equal what the yield on the Notes would have been in the absence of such change or amendment in the tax laws or regulations. Federal tax changes which work to increase the Bank's yield shall result in a commensurate credit to the County.

(c) Method of Adjustment. The above adjustments shall be cumulative, but in no event shall the interest rate on the Notes exceed the maximum rate permitted by law. Adjustments to the interest rate on Notes made pursuant to this Section 3.04 shall not become effective until after notice has been given pursuant to Section 3.04(a) hereof. Interest on the Notes and all other tax rates and interest rates are expressed as annual rates. However, proper partial adjustment shall be made if the tax law change is effective after the first day of the

Noteholder's tax year or if interest on the Notes does not accrue for the entire tax year of the Noteholder. Adjustments which create a circular calculation because the interest rate on the Notes is affected by the calculation shall be carried out sequentially, increasing the interest rate on the Notes accordingly in each successive rate on the Notes, until the change on the interest rate on the Notes caused by the next successive calculation of the adjustment is de minimis. If more than one of paragraphs numbered (1) through (3) in Section 3.04(b) apply, then the interest rate on the Notes shall be adjusted in the order in which listed above.

(d) Retroactive Adjustment. To the extent an adjustment to the interest rate on the Notes is not effected within three (3) months of the event giving rise to the adjustment, the additional interest due as a result of such adjustment shall be paid with interest thereon compounded monthly at the rate which is equal to the monthly interest rate on the Notes; provided, however, in no event shall such interest rate exceed the maximum rate permitted by law. Subject to the provisions of Section 3.04(a) hereof, all unpaid amounts determined to be owing as a result of such calculation shall be due and payable within ten (10) days after delivery of written notice of the amount of such adjustment, and shall be paid to the Noteholder of record during the period to which the adjustment relates. This obligation shall survive the payment and cancellation of the Notes.

(e) Savings Clause. In the event the maturity of the Notes is accelerated or prepaid in accordance with the provisions hereof, then such amounts that constitute payments of interest, together with any costs or considerations which constitute interest under the laws of the State of Florida, may never exceed an amount which would result in payment of interest at a rate in excess of the nonusurious interest allowed by the laws of the State of Florida or the United States to the extent applicable, as presently in effect and to the extent an increase is allowable by such laws; and excess interest, if any, shall be cancelled automatically as of the date of such acceleration, or, if theretofore paid, shall be credited on the principal amount of the Notes unpaid, but such crediting shall not cure or waive any default under this Agreement.

3.05 Determination of Taxability. If a Determination of Taxability shall occur, the Notes will bear interest from the earliest effective date on which such Determination of Taxability is deemed to have occurred at a floating interest rate per annum equal to the Taxable Rate. The County will also pay the holder of this Notes or assigns, from Designated Revenues, any penalties and any interest owed by the holder of this Notes due to the failure of the holder of this Notes to include interest on this Notes in its gross income for federal income tax purposes and any arrears in interest resulting from a Determination of Taxability, and any penalties in the form of interest or otherwise shall be paid by the County on the next succeeding interest payment date.

3.06 Compliance with Section 215.84. The County represents, warrants, and covenants that the Note Rate, as currently calculated in accordance with Section 215.84 Florida Statutes, is in compliance with Section 215.84, Florida Statutes.

3.07 Intentionally Omitted.

3.08 Conditions Precedent to the Effectiveness of this Agreement Funding of First Advance.
Prior to or simultaneously with the execution of this Agreement and the making of the first Advance hereunder in accordance with Section 3.03 hereof, there shall be filed with the Bank the following, each in form and substance reasonably acceptable to the Bank:

(a) a copy, certified by the County Clerk, of the Resolution;

(b) an opinion of counsel to the County to the effect that (1) the Resolution has been duly adopted and this Agreement has been duly authorized, executed and delivered by the County and, assuming due execution thereof by the Bank, constitutes a valid, binding and enforceable agreement of the County in accordance with its terms, except to the extent that the enforceability of the rights and remedies set forth herein may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally or by usual equity principles; (2) in accordance with (1) above, the County's execution, delivery and performance of this Agreement is not subject to any authorization, consent, approval or review of any governmental body, public officer or regulatory authority not heretofore obtained or effected; (3) the County (A) is a political subdivision of the State of Florida duly organized and validly existing under the laws of the State of Florida, and (B) has power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby; (4) the execution delivery and performance of this Agreement, and compliance with the terms thereof and hereof, under the circumstances contemplated hereby, do not and will not (A) violate or conflict with the Act, or (B) in any material respect conflict with, or constitute on the part of the County a breach or default under, any indenture, mortgage, deed of trust, agreement or other instrument to which the County or to which its properties are subject or conflict with, violate or result in a breach of any existing law, administrative rule or regulation, judgment, court order or consent decree to which the County or its properties are subject; (5) to the best of such counsel's knowledge, there is no claim, action, suit, proceeding, inquiry, investigation, litigation or other proceeding, at law or in equity, pending or threatened in any court or other tribunal, state or federal (A) restraining or enjoining, or seeking to restrain or enjoin, execution or delivery of the Agreement, (B) in any way questioning or affecting the validity or enforceability of any provision of this Agreement, or the Resolution, (C) in any way questioning or affecting the validity of any of the proceedings or authority for the authorization, execution or delivery of the Agreement, or of any provision made or authorized for the payment thereof, or (D) questioning or affecting the organization or existence of the County or the right of any of its officers to their respective offices; and (vii) the County has the legal power to pledge the Designated Revenues for payment of the Notes; Such opinion may contain an assumption that the interest on the Notes is excluded from gross income for federal income tax purposes and that neither the Notes nor the Agreement, or the Resolution, or any other matter or documents need to be registered or qualified under the Securities Act of 1933, as amended, the Florida Securities and Investor Protection Act, Chapter 517, Florida

Statutes, as amended, the Trust Indenture Act of 1939, as amended, or the securities or blue sky laws of any jurisdiction.

(c) a fully executed counterpart of this Agreement;

(d) an opinion of Bond Counsel (who may rely on opinion of Counsel to the County for certain matters), stating that such counsel are of the opinion that: (1) the County is a political subdivision of the State of Florida duly organized and validly existing under the laws of the State of Florida; (2) the Resolution has been duly adopted by the County is in full force and effect and has not been amended; (3) the issuance of the Notes and the execution of this Agreement by the County have been duly and validly authorized; (4) the Notes and this Agreement, when executed by the Bank, are valid, binding obligations of the County enforceable against the County in accordance with their terms, subject to appropriate qualifications for bankruptcy, insolvency or other laws affecting creditors' rights and equitable principles; (5) assuming continuing compliance by the County with certain covenants relating to requirements contained in the Code, under existing statutes, regulations, rulings and court decisions, interest on the Notes is excludable from gross income of the owner thereof for federal income tax purposes; (6) this Agreement and the Notes are exempt from Florida documentary stamp taxes; and (7) the County has the legal power to pledge the Designated Revenues;

(e) a copy of a completed and executed Form 8038-G to be filed with the Internal Revenue Service by the County; and

(f) such other documents as the Bank reasonably may request (including, without limitation, appropriate executed Florida Division of Bond Finance forms).

When the documents mentioned in clauses (a) through (f), inclusive, of this Section shall have been filed with the Bank, and when the first Note shall have been executed as required by this Agreement and specifically the terms of Section 3.03 hereof, upon delivery of the first Advance to the County, the County shall deliver such Note to or upon the order of the Bank.

3.09 Registration of Transfer; Assignment of Rights of Bank. The County shall keep at the office of the County Clerk in the County's records the registration of the Notes and the registration of transfers of the Notes as provided in this Agreement. Subject to the restriction set forth in the third paragraph of this Section, the transfer of the Notes may be registered only upon the books kept for the registration of the Notes and registration of transfer thereof upon surrender thereof to the County together with an assignment duly executed by the Bank or its attorney or legal representative in the form of the assignment set forth on the form of the Note attached as Exhibit A to this Agreement; provided, however, that the Notes may be transferred only in whole and not in part. In the case of any such registration of transfer, the County shall execute and deliver in exchange for the Notes a new Notes registered in the name of the transferee. In all cases in which the Notes shall be transferred hereunder, the County shall execute and deliver at the earliest practicable time a new Note or Notes in accordance with the provisions of this Agreement. The County may make a charge for every such registration of

transfer of the Notes sufficient to reimburse it for any tax or other governmental charges required to be paid with respect to such registration of transfer, but no other charge shall be made for registering the transfer hereinabove granted. The Notes shall be issued in fully registered form and shall be payable in any coin or currency of the United States.

The registration of transfer of the Notes on the registration books of the County shall be deemed to effect a transfer of the rights and obligations of the Bank under this Agreement to the transferee. Thereafter, such transferee shall be deemed to be the Bank under this Agreement and shall be bound by all provisions of this Agreement that are binding upon the Bank. The County and the transferor shall execute and record such instruments and take such other actions as the County and such transferee may reasonably request in order to confirm that such transferee has succeeded to the capacity of Bank under this agreement.

THE NOTES MAY BE TRANSFERRED BY THE NOTEHOLDER ONLY IN WHOLE AND NOT IN PART. THE LOAN, AS EVIDENCED BY THE NOTES, HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS. ANY TRANSFER, ASSIGNMENT OR OTHER DISPOSITION OF THE NOTES OR OF THE LOAN, AS EVIDENCED BY THE Notes, OR ANY PARTICIPATION THEREIN (OTHER THAN AS SPECIFIED IN THE NEXT PARAGRAPH), SHALL BE IN EACH CASE ONLY IN A MANNER THAT DOES NOT VIOLATE THE SECURITIES ACT OF 1933, AS AMENDED, AND THE RULES AND REGULATIONS PROMULGATED THEREUNDER, OR ANY APPLICABLE STATE SECURITIES LAWS.

Nothing in this Agreement or in the Notes shall be construed to prohibit the Bank from granting a participation or participations in the Notes to any other bank or banks within the SunTrust Banks, Inc. system. No such bank participant shall, however, be a registered holder of Notes or any portion thereof.

3.10 Ownership of the Notes. The person in whose name the Notes shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the Notes shall be made only to the registered owner thereof or such owner's legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon the Notes, and interest thereon, to the extent of the sum or sums so paid.

The registered owner of the Notes is hereby granted power to transfer absolute title thereof by assignment thereof to a bona fide purchaser for value (present or antecedent) without notice of prior defenses or equities or claims of ownership enforceable against such owner's assignor or any person in the chain of title and before the maturity of the Notes; provided, however, that the Notes may be transferred only in whole and not in part and provided further, the transferee shall assume all of the transferor's obligations and that no transfer shall be permitted absent the County's (and the Bank's) receipt of a letter in form and substance similar to the one delivered by the Bank pursuant to Section 218.385, Florida Statutes from such proposed transferee. Every prior registered owner of the Notes shall be deemed to have waived and renounced all of such owner's equities or rights therein in favor of every such bona fide

purchaser, and every such bona fide purchaser shall acquire absolute title thereto and to all rights represented thereby.

3.11 Use of Proceeds of Loan. The proceeds received by the County from the Loan shall be used by the County solely for the acquisition and construction of the Project (and all constituent components which the definition of Project entails).

3.12 Flow of Funds.

(a) Proceeds from Advances. Proceeds from Advances shall be placed in the County's _____ Account currently held by _____ (the "Acquisition Fund"). Each Advance placed in the Acquisition Fund will be segregated by MSBU and the County hereby covenants to use each Advance only for the purposes set forth in the corresponding Advance Letter and accordingly only for the appropriate portion of the Project. Amounts in the Acquisition Fund shall be used by the County in accordance with the details of the respective request for each MSBU outlined in Section 3.03 hereof and the Advance Letter. Notwithstanding the foregoing, portions of any Advance which constitute capitalized interest for repayment of the Advance shall be placed in the Bond Fund referenced hereinbelow. Any amounts which remain in the Acquisition Fund attributable to a particular Note as of the applicable final maturity date of that Note shall be used to repay amounts outstanding under other outstanding Notes. To the extent that the County determines it does not need amounts previously advanced under this Agreement and retained in the Acquisition Fund, the County may use such funds to prepay outstanding amounts under the Loan in accordance with the terms of the Notes. Any and all prepayments on the Notes shall first be applied to the reasonable fees and expenses of the Bank attributable to this relationship then outstanding, to the extent that there are any, then to accrued interest on the Note, and finally to principal on the Note.

(b) Proceeds of Special Assessments. Special Assessments, and proceeds thereof, shall be placed in the County's _____ Account currently held by _____ (the "Bond Fund"). Special Assessments placed in the Bond Fund, and capitalized interest, to the extent any exists, shall remain the Bond Fund until such amounts are required to pay, or prepay, amounts coming due under the Loan in accordance with the terms of the Notes. Amounts held in the Bond Fund shall be segregated by applicable MSBU. The County may net out of Special Assessments amounts necessary to pay the County Tax Appraiser and Tax Collector for their application of the Uniform Method (not to exceed 2% of the total Special Assessments).

Each August 1 moneys in the Bond Fund, following the payment of the then current debt service shall be used in their entirety to prepay the applicable Notes.

(c) Remaining Funds. Funds remaining in either the Acquisition or Bond Fund following repayment in full of the Loan shall be used by the County for any lawful purpose.

ARTICLE IV

ADDITIONAL COVENANTS OF THE COUNTY

4.01 Performance of Covenants. The County covenants that it will perform faithfully at all times its covenants, undertakings and agreements contained in this Agreement and the Notes or in any proceedings of the County relating to the Loan.

4.02 Payment of the Notes.

(a) The County covenants that it will promptly pay the principal of and interest on the Notes at the place, on the dates and in the manner provided herein and in the Notes, in accordance with the terms thereof. In accordance with Section 4.03 hereof, the County hereby pledges the Designated Revenues as security for the Loan.

(b) The Loan, as evidenced by the Notes, will be a special obligation of the County secured solely by the Designated Revenues and is payable solely from the Designated Revenues and as provided in Section 4.03 hereof. **The Loan will not constitute a general debt, liability or obligation of the County or of the State of Florida or any political subdivision thereof within the meaning of any constitutional or statutory provision. Neither the faith and credit nor the taxing power of the County or of the State of Florida or any political subdivision thereof is pledged to the payment of the principal of or interest on the Loan, as evidenced by the Notes, and the Noteholder shall never have the right to compel any exercise of any ad valorem taxing power of the County or of the State of Florida or any political subdivision thereof, directly or indirectly to enforce such payment. The Notes shall not constitute a lien upon any property of the County except upon the Designated Revenues.**

4.03 Lien on Designated Revenues. The County hereby establishes an irrevocable (until repayment in full of the Notes) pledge and first priority lien on the funds listed in subsection (a) of the definition of Designated Revenues in favor of the Bank as Noteholder, and agrees that such funds shall be used to pay the debt service on the Notes in accordance herewith.

4.04 Additional Debt. For so long as any Note is outstanding or the County has any right to borrow hereunder, the County shall not, without the prior written consent of the Bank issue any debt secured by a lien on the funds referenced in subsection (a) of the defined term Designated Revenues on parity with the Loan.

4.05 Preservation of Exclusion of Interest; etc.

(a) The County covenants that it will not knowingly take or omit to take any action which if taken or omitted would result in the loss of the exclusion of interest on the Notes from the gross income of the Noteholder for federal income tax purposes under the Code, as enacted and construed on the date of this Agreement, or which the County has reason to believe

would affect adversely the continued validity of such exclusion under the Code, as enacted and construed on the date of this Agreement.

(b) In order to maintain the exclusion from gross income for purposes of federal income taxation of interest on the Notes, the County shall use its best efforts to comply with each requirement of the Code applicable to the Notes.

(c) Notwithstanding any other provision of the Resolution or this Agreement to the contrary, so long as necessary in order to maintain the exclusion from gross income of interest on the Notes for federal income tax purposes, the covenants contained in this Section shall survive the payment of the Notes and the interest thereon, including any payment or defeasance thereof.

(d) The County shall not knowingly take or permit any action or fail to take any action which would cause the Notes to be an "arbitrage bond" within the meaning of Section 148(a) of the Code.

4.06 Budget and Other Financial Information. The County shall:

(a) Within two hundred and ten (210) days following the end of each Fiscal Year of the County, provide the Noteholder with a copy of the County's audited financial statements for the preceding Fiscal Year specifically breaking out the Designated Revenues.

(b) Provide the Noteholder with a copy of its resolution adopting its annual budget within forty (45) days of the adoption of the same, a completed budget book upon the completion of the same, and such other financial information regarding the County as the Noteholder may reasonably request.

(c) Provide the Noteholder within thirty (30) days of its fiscal year end so long as the any Note is outstanding, an annual compliance certificate in substantially the form set forth as Schedule C attached hereto stating: (i) that no Event of Default exists hereunder or would but for the passage of time or the giving of notice, (ii) that all representations and warranties given by the County hereunder remain in full force and effect, (iii) that all covenants included herein, in particular the debt service coverage ratio requirement found in Section 2.01(c)(4) and particularly all three portions thereof are being met (as evidenced by appropriate calculations included in such certificate), are being complied with.

4.07 Eligibility to Receive Designated Revenues - - Pursuit of Remedies. The County shall take all lawful actions necessary or required to charge and collect and to remain eligible to receive Designated Revenues in an amount sufficient to satisfy all covenants hereof; as referenced in Section 2.01 hereof, this requires that the County shall maintain contractual or other relations with its real property appraiser and tax collector so that the Special Assessments may be collected in accordance with the Uniform Method. The County hereby covenants to

pursue with all due diligence any and all remedies available to it under the Uniform Method (including the sale of tax certificates).

ARTICLE V

EVENTS OF DEFAULT AND REMEDIES

5.01 Events of Default. Each of the following is hereby declared an "Event of Default":

(a) payment of the principal of any Note shall not be made when the same shall become due and payable;

(b) payment of any installment of interest on any Note shall not be made when the same shall become due and payable; or

(c) the County shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Notes or in this Agreement on the part of the County to be performed, and such default shall continue for thirty (30) days after written notice specifying such default and requiring same to be remedied shall have been given to the County by the Noteholder; provided, however, that if, in the reasonable judgment of the Noteholder, the County shall proceed to take such curative action which, if begun and prosecuted with due diligence, cannot be completed within a period of thirty (30) days, then such period shall be increased to such extent as shall be necessary to enable the County to diligently complete such curative action; or

(d) the County defaults in the due and punctual payment of any other obligation or evidence of indebtedness which is secured in whole or in part by a pledge of any of the Designated Revenues; or

(e) any representation or warranty of the County contained in this Agreement or in any certificate or other closing document executed and delivered by the County in connection with the closing of this Loan shall prove to have been untrue in any material respect when executed and delivered, thereby adversely impairing the security for the Notes; or

(f) any proceedings, that in the Bank's reasonable opinion would adversely affect its repayment, if instituted with the consent or acquiescence of the County, for the purpose of effecting a compromise between the County and its creditors or for the purpose of adjusting the claims of such creditors, pursuant to any federal or state statute now or hereinafter enacted; or

(g) the County admits in writing its inability to pay its debts generally as they become due, or files a petition in bankruptcy or makes an assignment for the benefit of its credi-

tors or consents to the appointment of a receiver or trustee for itself or shall file a petition or answer seeking reorganization or any arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof; or

(h) the County is adjudged insolvent by a court of competent jurisdiction or is adjudged bankrupt on a petition of bankruptcy filed against the County, or an order, judgment or decree is entered by any court of competent jurisdiction appointing, without the consent of the County, a receiver or trustee of the County or of the whole or any part of its property and any of the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within sixty (60) days from the date of entry thereof; or

(i) if, under the provisions of any law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the County or of the whole or any substantial part of its property and such custody or control shall not be terminated within ninety (90) days from the date of assumption of such custody or control; or

(j) any law that creates the Designated Revenues is either repealed, declared unconstitutional, or otherwise modified in a manner which is materially adverse to Bank's security hereunder.

5.02 Exercise of Remedies. Upon the occurrence and during the continuance of an Event of Default, the Noteholder may, by a notice in writing to the County, declare the principal of the Note then in default (if not then due and payable) to be immediately due and payable, and upon such declaration, the same shall be immediately due and payable, anything contained in the Note or this Agreement to the contrary notwithstanding. Upon the occurrence and during the continuance of an Event of Default, the Noteholder may proceed to protect and enforce its rights under the laws of the State of Florida or under this Agreement by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for the specific performance of any covenant or agreement contained herein or in aid or execution of any power herein granted or for the enforcement of any proper legal or equitable remedy, as the Noteholder shall deem most effective to protect and enforce such rights. Without limiting the generality of the foregoing, the Noteholder shall have the right to bring a mandamus action to require the County to perform its obligations under Article IV of this Agreement.

In the enforcement of any remedy under this Agreement, to the extent permitted by law, the Noteholder shall be entitled to sue for, enforce payment of and receive any and all amounts then or during any default becoming, and at any time remaining, due from the County for principal, interest or otherwise under any of the provisions of this Agreement or of the Note then unpaid, with interest on overdue payments of principal and interest (to the extent permitted by law) at the Default Rate, together with any and all costs and expenses of collection and of all successful proceedings hereunder and under the Note (including, without limitation, reasonable attorneys' and paralegal's fees in all successful proceedings, including administrative, appellate and bankruptcy proceedings), but payable solely from the Designated Revenues, without

prejudice to any other right or remedy of the Noteholder, and to recover and enforce any judgment or decree against the County, but solely as provided herein and in the Note, for any portion of such amounts remaining unpaid and interest, costs, and expenses as above provided, and to collect (but solely from the Designated Revenues) in any manner provided by law, the monies adjudged or decreed to be payable.

Events of Default under Sections 5.01(a) and (b) shall create remedies for the Noteholder only for those Notes. Events of Default under Sections 5.01(c) through (j) shall represent Events of Default for all Notes and the entire Loan and shall entitle the Noteholder to all remedies hereunder.

5.03 Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Noteholder is intended to be exclusive of any other remedy or remedies herein provided, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder.

5.04 Waivers, Etc. No delay or omission of the Noteholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or any acquiescence therein; and every power and remedy given by this Agreement to the Noteholder may be exercised from time to time and as often as may be deemed expedient.

The Noteholder may waive any default which in its opinion shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions of this Agreement or before the completion of the enforcement of any other remedy under this Agreement, but no such waiver shall be effective unless in writing and no such waiver shall extend to or affect any other existing or any subsequent default or defaults or impair any rights or remedies consequent thereon.

ARTICLE VI

MISCELLANEOUS PROVISIONS

6.01 Covenants of County, Etc.; Successors. All of the covenants, stipulations, obligations and agreements of the County that are contained in this Agreement shall be deemed to be covenants, stipulations, obligations and agreements of the County to the full extent authorized or permitted by law, and all such covenants, stipulations, obligations and agreements shall be binding upon the successor or successors thereof from time to time, and upon any officer, board, commission, authority, agency or instrumentality to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law.

6.02 Covenants of Bank, Etc.; Successors. All of the covenants, stipulations, obligations and agreements of the Bank that are contained in this Agreement shall be deemed to

be covenants, stipulations, obligations and agreements of the Bank to the full extent authorized or permitted by law, and all such covenants, stipulations, obligations and agreements shall be binding upon the successor or successors thereof from time to time, and upon any officer, board, commission, authority, agency or instrumentality to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law.

6.03 Term of Agreement. This Agreement shall be in full force and effect from the date hereof until all Notes and all other sums payable to the Bank hereunder have been paid in full and shall survive the termination of this Agreement in relation to those provisions that deal with retroactive costs increases for the Bank in relation to the tax exempt status of the Notes.

6.04 Notice of Changes in Fact. Promptly after the County becomes aware of the same, the County will notify the Bank of (a) any changes in any material fact or circumstance represented or warranted by the County in this Agreement or in connection with the issuance of the Notes, and (b) any default under this Agreement, specifying in each case the nature thereof and what action the County has taken, is taking and/or proposes to take with respect thereto.

6.05 Amendments and Supplements. This Agreement may be amended or supplemented from time to time only by a writing duly executed by each of the County and the Noteholder.

6.06 Notices. Any notice, demand, direction, request or other instrument authorized or required by this Agreement to be given to or filed with the County or the Bank, shall be deemed to have been sufficiently given or filed for all purposes of this Agreement if and when sent by certified mail, return receipt requested:

(a) As to the County:

St. Johns County, Florida
P.O. Drawer 349
St. Johns County, Florida 32085
Attention: County Administrator

with a copy to:

St. Johns County Florida Clerk

(b) As to the Bank:

Sun Bank, National Association
200 South Orange Avenue
Orlando, Florida 32801
Attention: Institutional and Governmental Banking

Either party may, by notice sent to the other, designate a different or additional address to which notices under this Agreement are to be sent.

6.07 Benefits Exclusive. Except as herein otherwise expressly provided, nothing in this Agreement, expressed or implied, is intended or shall be construed to confer upon any person, firm or corporation, other than the County and the Noteholder, any right, remedy or claim, legal or equitable, under or by reason of this Agreement or any provision hereof, this Agreement and all its provisions being intended to be and being for the sole and exclusive benefit of the County and the Noteholder.

6.08 Severability. In case any one or more of the provisions of this Agreement, any amendment or supplement hereto or of the Notes shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Agreement, any amendment or supplement hereto or the Notes, but this Agreement, any amendment or supplement hereto and the Notes shall be construed and enforced at the time as if such illegal or invalid provisions had not been contained therein, nor shall such illegality or invalidity or any application thereof affect any legal and valid application thereof from time to time. In case any covenant, stipulation, obligation or agreement of the County contained in the Notes or in this Agreement shall for any reason be held to be in violation of law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the County to the full extent from time to time permitted by law.

6.09 Payments Due on Saturdays, Sundays and Holidays. In any case where the date of maturity of interest on or principal of the Notes or the date fixed for prepayment of the Notes shall be a Saturday, Sunday or a day on which the Bank is required, or authorized or not prohibited, by law (including executive orders) to close and is closed, then payment of such interest or principal shall be made on the next succeeding day on which the Bank is open for business with the same force and effect as if paid on the date of maturity or the date fixed for prepayment, and no interest on any such principal amount shall accrue for the period after such date of maturity or such date fixed for prepayment.

6.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original; but such counterparts shall together constitute but one and the same Agreement, and, in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

6.11 Applicable Law. This Agreement shall be governed exclusively by and construed in accordance with the applicable laws of the State of Florida.

6.12 No Personal Liability. Notwithstanding anything to the contrary contained herein or in the Notes, or in any other instrument or document executed by or on behalf of the County in connection herewith, no stipulation, covenant, representation, agreement or obligation contained herein or therein shall be deemed or construed to be a stipulation, covenant, representation, agreement or obligation of any present or future member of the Board of County Commissioners, officer, employee or agent of the County, officer, employee or agent of a successor to the County, in any such person's individual capacity, and no such person, in his or her individual capacity, shall be liable personally for any breach or non-observance of or for any failure to perform, fulfill or comply with any such stipulations, covenants, representations, agreements or obligations, nor shall any recourse be had for the payment of the principal of or interest on the Notes or for any claim based thereon or on any such stipulation, covenant, representation, agreement or obligation, against any such person, in his or her individual capacity, either directly or through the County or any successor to the County, 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 person, in his or her individual capacity, is hereby expressly waived and released.

6.13 Incorporation by Reference. All of the terms and obligations of the Resolution and the Exhibits and Schedules hereto are hereby incorporated herein by reference as if all of the foregoing were fully set forth in this Agreement. All recitals appearing at the beginning of this Agreement are hereby incorporated herein by reference.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first set forth herein.

"COUNTY"

**BOARD OF COUNTY COMMISSIONERS
ST. JOHNS COUNTY, FLORIDA**

By: _____
Chair of Board of County
Commissioners of St. Johns County,
Florida

[SEAL]

Attest:

Clerk of Circuit Court
St. Johns County, Florida

SUNBANK, NATIONAL ASSOCIATION

By: _____
Kathryn Sikes
Vice President

o:\corp\115\sb\stjohns.7g
wsb draft 11/3/94

EXHIBIT "A"

FORM OF NOTE

(See Attached)

SCHEDULE A

Method for Determining Tax Exempt Equivalent Note Rate

SCHEDULE B

[FORM OF ADVANCE LETTER]

_____, 19__

Sun Bank, National Association
200 South Orange Avenue
Orlando, Florida 32801
Attention: Institution and Governmental
Banking

Ladies and Gentlemen:

Reference is hereby made to that certain Line of Credit Agreement, between Sun Bank, National Association (the "Bank") and St. Johns County, Florida (the "County"), dated as of November __, 1994 (the "Agreement"). Reference is hereby made to Section 3.03(a) of the Agreement, wherein the requirements for an Advance are set forth.

All capitalized terms not otherwise defined herein shall have the meanings assigned to such terms in the Agreement.

The County hereby requests an Advance in the Amount of \$_____ to be funded by [wire, check, or deposit] to the County on _____, 199__. The County hereby certifies to the Bank as follows:

1. No Event of Default exists, or would exist but for the giving of notice or the passage of time, under the Agreement.
2. The aggregate of the amounts outstanding under the Agreement and this Advance shall not exceed \$6,000,000.
3. All information regarding the applicable MSBU and portion of the Project have been submitted to the Bank, which includes information regarding debt service coverage contained in exhibit a to this advance letter, or will be prior to the date of the requested Advance.
4. The non-ad valorem assessments levied pursuant to St. Johns County's Ordinance Number ___ are Special Assessments pledged to secure the portion of the Loan that consists of this requested Advance.
5. All of the County's representations, warranties, and covenants contained in the Agreement and any ancillary documents remain true, correct, and observed (as applicable) on the date hereof.

ST. JOHNS COUNTY, FLORIDA

By: _____

Name:

Title:

Exhibit a to Advance Request Letter

St. Johns County
Establishment of a new MSBU
Debt Service Coverage Worksheet

Date: _____

MSBU _____

Term of
Assessment _____

Total
Project Cost _____

Projected Annual Gross
Assessments over the life
of the assessment period

Less 5%

Net Assessments

Projected Annual Debt Service*

* Based on amortization coinciding with the term of the assessments

As of the above date the County was in compliance with all conditions and covenants as specified in the Line of Credit Agreement dated October __, 1994, between Sun Bank, National Association and St. Johns County, Florida, and there exists no Event of Default and no facts that with notice or lapse of time or both would constitute such an Event of Default.

ST. JOHNS COUNTY, FLORIDA

By: _____

As its: _____

SCHEDULE C

[FORM OF ANNUAL COMPLIANCE CERTIFICATE OF COUNTY]

_____, 19__

Sun Bank, National Association
200 South Orange Avenue
Orlando, Florida 32801
Attention: Institution and Governmental
Banking

Ladies and Gentlemen:

Reference is hereby made to that certain Line of Credit Agreement, between Sun Bank, National Association (the "Bank") and St. Johns County, Florida (the "County"), dated as of October __, 1994 (the "Agreement"). Reference is hereby made to Section 4.06(c) of the Agreement, wherein certain requirements of the County are set forth. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Agreement.

The County hereby certifies and states as follows:

(i) no Event of Default exists hereunder or would but for the passage of time or the giving of notice,

(ii) all representations and warranties given by the County in the Agreement, and related documents, remain in full force and effect,

(iii) all covenants included in the Agreement are being complied with.

(iv) the County is in compliance with all requirements of the debt service coverage ratio required in Section 2.01(c)(4) of the Agreement; such compliance is demonstrated by the calculations set forth on exhibit "a" hereto.

ST. JOHNS COUNTY, FLORIDA

By: _____

Name:

Title:

Exhibit A to SCHEDULE C

St. Johns County

Annual Compliance Worksheet - In Accordance with Article II, Section 2.01(f), of the Line of Credit Agreement By and Between St. Johns County, Florida, and Sun Bank, National Association.

For the Fiscal Year Ending _____

MSBU _____

Terms of Assessments _____

HISTORICAL COVERAGE:

Gross Assessments received for fiscal year	_____
Less 5%	_____
Net Assessments	_____
Annual Debt Service*	_____
Debt Service Coverage	_____

PROJECTED COVERAGE:

Projected Annual Gross Assessments	_____
Less 5%	_____
Net Assessments	_____
Annual Debt Service*	_____
Debt Service Coverage	_____

ST. JOHNS COUNTY, FLORIDA

By: _____
As Its: _____

*Based on amortization coinciding with term of assessments